OFFICIAL STATEMENT DATED NOVEMBER 7, 2000

NEW ISSUE — BOOK-ENTRY ONLY

RATINGS: See "Ratings" herein.

$6,975,000 CERTIFICATES OF PARTICIPATION (DESERT VISTA PROJECT), SERIES 2000

Evidencing the Proportionate Interests of the Owners Thereof in Lease-Payments to be Made by MARICOPA COUNTY, ARIZONA to Maricopa County Public Finance Corporation And Assigned to BNY Western Trust Company, Trustee

Certificates Dated: November 1, 2000

Due: July 1, as shown on the inside front cover

The Certificates: The Certificates will be executed and delivered pursuant to the Trust Agreement, to be dated as of November 1, 2000 (the "Trust Agreement") between Maricopa County Public Finance Corporation (the "Corporation") and BNY Western Trust Company, as Trustee, and will be delivered to, and registered in the name of Cede & Co., as nominee for The Depository Trust Company, a registered securities depository ("DTC"). Beneficial interests therein will be offered for sale in $5,000 denominations and integral multiples thereof by the participants in the DTC system. The Certificates will constitute undivided proportionate interests in certain rights and interests in a Lease-Purchase Agreement, to be dated as of November 1, 2000 (the "Lease") between the Corporation and Maricopa County, Arizona (the "County") pursuant to which the Leased Property described below will be leased to the County by the Corporation. The rights of the Corporation under the Lease, including the Lease Payments thereunder, will be assigned to the Trustee to secure the Certificates pursuant to the Trust Agreement. The Lease Payments will be made directly to the Trustee pursuant to the Lease.

Place of Payment: Interest with respect to the Certificates will be payable semiannually on January 1 and July 1 of each year, commencing on July 1, 2001. Principal with respect to the Certificates will be payable in accordance with the schedule set forth on the inside front cover of this Official Statement. So long as the Certificates are in book-entry form, principal and interest payable with respect to the Certificates will be paid to DTC for credit to the accounts of the DTC participants and, in turn, to the accounts of the owners of the beneficial interests offered and sold hereby (the "Beneficial Owners"). See "BOOK-ENTRY-ONLY SYSTEM."

Redemption: The Certificates will be subject to prepayment as more fully described herein. See "THE CERTIFICATES OF PARTICIPATION — Redemption Provisions."

Use of Proceeds: Proceeds from the sale of the Certificates will be used for the purpose of assisting the Corporation in financing the costs of (a) acquiring an existing hospital and medical office facility (the "Existing Property") for use as a behavioral health center by the County, (b) the cost of improvements thereto (collectively with the Existing Property, the "Leased Property") and relocation expenses for the System and (c) costs relating to the issuance of the Certificates. The Lease will commence as of November 1, 2000, and will continue in full force and effect until June 30, 2001, subject to annual renewal for additional fiscal periods (July 1 through June 30) through and including the fiscal period ending June 30, 2015, unless the Lease is not renewed prior thereto pursuant to the provisions thereof.

THE COUNTY'S OBLIGATION TO MAKE LEASE PAYMENTS, AND ANY OTHER FINANCIAL OBLIGATIONS OF THE COUNTY UNDER THE LEASE, WILL BE SUBJECT TO AND DEPENDENT UPON ANNUAL APPROPRIATIONS BEING MADE BY THE COUNTY FOR LEASE PAYMENTS UNDER THE LEASE. IN THE EVENT NO APPROPRIATION IS MADE FOR ANY SUCCEEDING FISCAL YEAR, THE LEASE WILL NOT BE RENEWED AND THERE CAN BE NO ASSURANCE THAT THE PROCEEDS, IF ANY, FROM LEASING THE PROJECT TO ANOTHER LESSEE(S) FOR THE REMAINING TERM OF THE LEASE WILL BE SUFFICIENT TO PAY PRINCIPAL OR INTEREST WHEN PAYABLE WITH RESPECT TO THE CERTIFICATES. NEITHER THE CERTIFICATES, THE LEASE, THE OBLIGATIONS OF THE COUNTY PURSUANT TO THE LEASE, NOR ANY OTHER OBLIGATIONS OF THE COUNTY ENTERED INTO IN CONNECTION THEREWITH SHALL BE CONSTRUED TO CONSTITUTE A DEBT OF THE COUNTY, THE STATE OF ARIZONA OR ANY OTHER POLITICAL SUBDIVISION THEREOF WITHIN THE MEANING OF ANY CONSTITUTIONAL OR STATUTORY PROVISION WHATSOEVER. THE CORPORATION HAS NO TAXING AUTHORITY NOR ANY ASSETS OR OTHER REVENUE FROM WHICH THE CERTIFICATES CAN OR WILL BE PAID. See "SOURCE OF PAYMENT FOR THE CERTIFICATES" and "SECURITY FOR THE CERTIFICATES", herein.

See "RISK FACTORS" for a discussion of some of the risks inherent in investing in the Certificates.

SEE MATURITY SCHEDULE ON INSIDE FRONT COVER

This Official Statement has been prepared by the County in connection with the original offering for sale of the Certificates referred to above. The Certificates are offered when, as and if issued, and subject to the approving opinion of Chapman and Cutler, Special Counsel, as to validity and tax exemption. It is anticipated that the Certificates in definitive form will be available for delivery through DTC in New York, New York on or about November 22, 2000.

This cover page contains only a brief description of the Certificates *and the security therefor. It is not a summary of material information with respect to the Certificates. Investors are advised to read the entire Official Statement to obtain information essential to making an informed investment decision.*

MARICOPA COUNTY, ARIZONA

$6,975,000
CERTIFICATES OF PARTICIPATION
(DESERT VISTA PROJECT), SERIES 2000

PRINCIPAL PAYMENT SCHEDULE

Payment Date (July 1)	Principal Amount	Interest Rate	Yield
2001	$435,000	4.50%	4.50%
2002	330,000	4.60	4.60
2003	345,000	4.65	4.65
2004	365,000	4.70	4.70
2005	385,000	4.75	4.75
2006	400,000	4.80	4.80
2007	420,000	4.85	4.85
2008	445,000	4.90	4.90
2009	465,000	4.95	4.95
2010	490,000	5.00	5.00
2011	520,000	5.10	5.10
2012	545,000	5.20	5.20
2013	575,000	5.30	5.30
2014	610,000	5.40	5.40
2015	645,000	5.50	5.50

(Plus interest accrued from November 1, 2000)

MARICOPA COUNTY, ARIZONA

BOARD OF SUPERVISORS

Andrew Kunasek, *Chairman*
Janice K. Brewer, Member
Fulton Brock, Member
Donald Stapley, Member
Mary Rose Garrido Wilcox, Member

ADMINISTRATION

David R. Smith, *County Administrative Officer*
Sandra Wilson, *Deputy County Administrative Officer*
Tom Manos, *Chief Financial Officer*

SPECIAL COUNSEL

Chapman and Cutler
Phoenix, Arizona

DISCLOSURE COUNSEL

Squire, Sanders & Dempsey L.L.P.
Phoenix, Arizona

FINANCIAL ADVISOR

U.S. Bancorp Piper Jaffray Inc.®
Phoenix, Arizona

TRUSTEE

BNY Western Trust Company
Los Angeles, California

REGARDING THIS OFFICIAL STATEMENT

This Official Statement does not constitute an offering of any security other than the original offering of the Certificates identified on the inside front cover hereof. This Official Statement does not constitute an offer to sell or the solicitation of an offer to buy, and there shall not be any sale of theCertificates by any person in any jurisdiction in which it is unlawful to make such offer, solicitation or sale.

The information and expressions of opinion herein are subject to change without notice and neither the delivery of this Official Statement nor any sale made hereunder shall, under any circumstances, give rise to any implication that there will be no change in the affairs of the County after the date hereof.

The Certificates have not been registered under the Federal Securities Act of 1933 or the Securities Exchange Act of 1934, both as amended, in reliance upon the exemptions provided thereunder by Sections 3(a)(2) and 3(a)(12), respectively, pertaining to the issuance and sale of municipal securities, nor have the Certificates been qualified under the Securities Act of Arizona in reliance upon various exemptions contained in such Act. Neither the Securities and Exchange Commission or any other federal, state or other governmental entity or agency will have, at the request of the County, passed upon the accuracy or adequacy of this Official Statement or approved the Certificates for sale.

The County has covenanted to undertake the provision of continuing disclosure as described in this Official Statement under "CONTINUING SECONDARY MARKET DISCLOSURE" and in Appendix F – "FORM OF CONTINUING DISCLOSURE UNDERTAKING," all pursuant to Rule 15c2-12 of the Securities and Exchange Commission.

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INTRODUCTORY STATEMENT

This Official Statement, including the cover page and Appendices hereto (the "Official Statement"), has been prepared on behalf of Maricopa County, Arizona (the "County"), in connection with the original execution and delivery of $6,975,000 Certificates of Participation (Desert Vista Project), Series 2000, evidencing the proportionate interests of the owners thereof in lease payments to be made by Maricopa County, Arizona to Maricopa County Public Finance Corporation, and assigned to BNY Western Trust Company, Trustee (the "Certificates"). The lease payments ("Lease Payments") will be made for certain real estate (the "Leased Property") described under "THE LEASED PROPERTY" herein, pursuant to a Lease-Purchase Agreement to be dated as of November 1, 2000 (the "Lease"), between the County and Maricopa County Public Finance Corporation (the "Corporation"). The Lease Payments will be made by the County directly to BNY Western Trust Company, as Trustee (the "Trustee"), pursuant to the Lease and a Trust Agreement to be dated as of November 1, 2000 (the "Trust Agreement"), between the Trustee and the Corporation. Certain information concerning the Lease, the Trust Agreement and the authorization, purpose, terms, conditions of sale and the security for and sources of payment of the Certificates is set forth in this Official Statement.

All financial and other information presented in this Official Statement has been provided by the County from its records, except for information expressly attributed to other sources. The presentation of information, including tables of receipts from taxes and other sources, is intended to show recent historical information and is not intended to indicate future or continuing trends in the financial position or other affairs of the County. No representation is made that past experience, as shown by the financial and other information, will necessarily continue or be repeated in the future.

Reference to provisions of Arizona law, whether codified in the Arizona Revised Statutes (A.R.S.) or uncodified, or of the Arizona Constitution, are references to those provisions in their current form. Those provisions may be amended, repealed or supplemented.

Certain capitalized terms used in this Official Statement and not otherwise defined herein shall have the meanings given to such terms in Appendix D under the heading "SUMMARY OF LEGAL DOCUMENTS – Definitions."

The obligations of the County under the Lease will be payable exclusively from annually appropriated funds and will not be a general obligation or indebtedness of the County for any purpose. The obligation of the County to make payments under the Lease is subject to termination as of the last day of each Fiscal Year (currently June 30) at the option of the County. If so terminated, the County shall thereafter be relieved of any subsequent obligation under the Lease other than to surrender possession of the Leased Property to the Trustee. **In the event of such termination there is no assurance that the Trustee will have adequate funds under the Trust Agreement to pay the principal and interest represented by the Certificates or that the Interest Portion will continue to be excluded from gross income for federal or Arizona income tax purposes.** See "SOURCE OF PAYMENT FOR THE CERTIFICATES," "SECURITY FOR THE CERTIFICATES" and "TAX EXEMPTION."

See "RISK FACTORS" for a discussion of certain risks inherent in investing in the Certificates.

This Official Statement contains descriptions of the Certificates, the Trust Agreement and the Lease. The descriptions of the Certificates, the Trust Agreement and the Lease and other documents described in this

Official Statement do not purport to be definitive or comprehensive, and all references to those documents are qualified in their entirety by reference to the complete documents.

THE CERTIFICATES OF PARTICIPATION

Authorization and Purpose

The Certificates will be executed and delivered by the Trustee pursuant to the Trust Agreement and are being sold to assist the Corporation in financing the costs of acquisition of an existing hospital and medical office facility (the "Existing Property") for use as a behavioral health center by Maricopa Integrated Health System, a hospital enterprise and a separate unit of the County (the "System") and in the construction of improvements thereto and additional improvements for the System and relocation expense for the System (together with the Existing Property, the "Leased Property"). The Corporation will use the proceeds of the Certificates to buy and improve the Leased Property, acquire additional improvements for the System and pay certain relocation costs of the System, and to pay the costs associated with the issuance of the Certificates. Under the Lease, the County will lease the Leased Property from the Corporation for fifteen years at which time title will pass back to the County. See "THE LEASED PROPERTY" herein.

General Provisions

The Certificates will be executed and issued by the Trustee pursuant to the Trust Agreement in fully registered form in denominations of $5,000 or any whole multiple thereof. The Certificates will be dated as of November 1, 2000 and will be payable as to principal on the dates and in the amounts shown on the inside cover page hereof. Each Certificate will represent an undivided proportionate interest in the portion of the Base Rent component of Lease Payments paid by the County and denominated as principal under the Lease (the "Principal Portion") due and payable with respect to the maturity date of the Certificate and in the portion of the Base Rent component of Lease Payments paid by the County and denominated as interest under the Lease (the "Interest Portion") due and payable semiannually on January 1 and July 1 of each year (the "Interest Payment Dates") commencing on July 1, 2001, to and including the maturity or redemption date at the rate set forth in such Certificate. Subject to the provisions summarized in "BOOK-ENTRY-ONLY SYSTEM" herein, the Principal Portion evidenced by any Certificates and premium, if any, will be payable upon presentation and surrender of such Certificate to the Trustee, and the Interest Portion evidenced by any Certificate will be paid by check or draft mailed by the Trustee to the Owner of the Certificates at the address of the Owner shown on the registration records maintained by the Trustee as of the fifteenth day of the calendar month next preceding the applicable Interest Payment Date or the Trustee may agree with an Owner of $1,000,000 or more in aggregate principal amount of the Certificates for payment by wire transfer in immediately available funds to an account in the continental United States. Certificates will initially be registered in the name of Cede & Co., as registered owner and nominee of the Depository Trust Company, New York, New York ("DTC"). See "BOOK-ENTRY-ONLY SYSTEM" herein.

Each certificate will evidence the Owner's right to receive semiannual distributions of the Base Rent component of the Lease Payments payable by the County pursuant to the Lease and, under certain circumstances, a portion of the Net Proceeds of the Leased Property and moneys held by the Trustee in the Reserve Fund. Certificates will be delivered initially in a total principal amount equal to the aggregate amount of the Principal Portion of the Lease Payments payable by the County.

Redemption Provisions

Special Mandatory Redemption

In the event the Lease is terminated due to an Event of Non-Appropriation or an Event of Default occurs under the Lease, the Certificates will be subject to special mandatory redemption at any time for which the required notice may be given, in whole or in part at a price equal to par plus accrued interest to the redemption date.

In addition, in the event of total damage, destruction or condemnation of the Leased Property and the determination by the County not to restore the Leased Property, then the Certificates will be subject to special mandatory redemption in whole or in part, at any time for which the required notice may be given solely from the Net Proceeds of insurance, self-insurance or condemnation awards, at a price equal to par plus accrued interest to the redemption date. See Appendix D – "SUMMARY OF TRUST AGREEMENT – Section 7.1 – Establishment of Net Proceeds Fund; Application of Net Proceeds of Insurance Proceeds or Condemnation Awards.

Optional Redemption

Certificates maturing on and after July 1, 2011 will be subject to optional redemption prior to maturity, in whole or in part, in increments of $5,000 on July 1, 2010, or on any date thereafter, at the redemption price of par plus accrued interest to the date fixed for redemption plus a redemption premium (expressed as a percentage of the principal amount thereof) as follows:

Redemption Dates	Premium
July 1, 2010 through June 30, 2011	1%
July 1, 2011 and thereafter	0%

Notice of Redemption

Notice of redemption of any Certificate will be mailed to the respective Owners, initially DTC, of the Certificate or Certificates being redeemed at the addresses shown on the register maintained by the Trustee not more than sixty (60) nor less than thirty (30) days prior to the date set for redemption. Neither failure to give notice to any owner of a Certificate nor any defect in any notice will affect the validity of the proceedings for the redemption of any Certificate with respect to which notice is properly given. Any failure on the part of DTC or on the part of a Direct or Indirect Participant in the DTC Book-Entry-Only system to notify the Beneficial Owner of the Certificates so affected will not affect the validity of the redemption of the Certificates.

Notice having been given in the manner provided above and moneys for such redemption having been set aside in the Lease Payment Fund, the Certificates and portions thereof called for redemption will become due and payable on the redemption date. If moneys sufficient to redeem all the Certificates or portions thereof called for redemption are held by the Trustee on the redemption date and if proper notice of redemption shall have been given, then the Certificates or portions thereof called for redemption will cease to be entitled to receive interest with respect thereto and will no longer be considered Outstanding under the Trust Agreement. Any moneys held by the Trustee for the redemption of Certificates shall be held in trust for the account of the Owners of the Certificates to be redeemed.

BOOK-ENTRY-ONLY SYSTEM

DTC will act as securities depository for the Certificates. The Certificates will be issued as fully-registered securities registered in the name of Cede & Co. (DTC's partnership nominee) or such other name as may be requested by an authorized representative of DTC. One fully-registered Certificate will be issued for each maturity of the Certificates, each in the aggregate principal amount of such maturity, and will be deposited with DTC.

DTC is a limited-purpose trust company organized under the New York Banking law, a "banking organization" within the meaning of the New York Banking law, a member of the Federal Reserve System, a "clearing corporation" within the meaning of the New York Uniform Commercial Code, and a "clearing agency" registered pursuant to the provisions of Section 17A of the Securities Exchange Act of 1934. DTC holds securities that its participants ("Direct Participants") deposit with DTC. DTC also facilitates the settlement among Direct Participants of securities transactions, such as transfers and pledges, in deposited securities through electronic computerized book-entry changes in Direct Participants' accounts, thereby eliminating the need for physical movement of securities certificates. Direct Participants include securities brokers and dealers, banks, trust companies, clearing corporations, and certain other organizations. DTC is owned by a number of its Direct Participants and by the New York Stock Exchange, Inc., the American Stock Exchange LLC, and the National Association of Securities Dealers, Inc. Access to the DTC system is also available to others such as securities brokers and dealers, banks, and trust companies that clear through or maintain a custodial relationship with a Direct Participant, either directly or indirectly ("Indirect Participants"). The Rules applicable to DTC and its Direct Participants are on file with the Securities and Exchange Commission.

Purchases of Certificates under the DTC system must be made by or through Direct Participants, which will receive a credit for the Certificates on DTC's records. The ownership interest of each actual purchaser of each Certificate ("Beneficial Owner") is in turn to be recorded on the Direct and Indirect Participants' records. Beneficial Owners will not receive written confirmation from DTC of their purchase, but Beneficial Owners are expected to receive written confirmations providing details of the transaction, as well as periodic statements of their holdings, from the Direct or Indirect Participant through which the Beneficial Owner entered into the transaction. Transfers of ownership interests in the Certificates are due to be accomplished by entries made on the books of Direct and Indirect Participants acting on behalf of Beneficial Owners. Beneficial Owners will not receive certificates representing their ownership interests in the Certificates, except in the event that use of the book-entry system for the Certificates is discontinued.

To facilitate subsequent transfers, all Certificates deposited by Direct Participants with DTC are registered in the name of DTC's partnership nominee, Cede & Co. or such other name as may be requested by an authorized representative of DTC. The deposit of Certificates with DTC and their registration in the name of Cede & Co. or such other nominee do not effect any change in beneficial ownership. DTC has no knowledge of the actual Beneficial Owners of the Certificates; DTC's records reflect only the identity of the Direct Participants to whose accounts such Certificates are credited, which may or may not be the Beneficial Owners. The Direct and Indirect Participants will remain responsible for keeping account of their holdings on behalf of their customers.

Conveyance of notices and other communications by DTC to Direct Participants, by Direct Participants to Indirect Participants, and by Direct Participants and Indirect Participants to Beneficial Owners will be governed by arrangements among them, subject to any statutory or regulatory requirements as may be in effect from time to time.

Redemption notices shall be sent to DTC. If less than all of the Certificates within a maturity are being redeemed, DTC's practice is to determine by lot the amount of the interest of each Direct Participant in such issue to be redeemed.

Neither DTC nor Cede & Co. (nor such other DTC nominee) will consent or vote with respect to the Certificates. Under its usual procedures, DTC mails an omnibus Proxy to the Trustee as soon as possible after the record date. The Omnibus Proxy assigns Cede & Co.'s consenting or voting rights to those Direct Participants to whose accounts the Certificates are credited on the record date (identified in a listing attached to the Omnibus Proxy).

Payment of principal and interest represented by the Certificates and redemption proceeds, will be made to Cede & Co. or such other nominee as may be requested by an authorized representative of DTC. DTC's practice is to credit Direct Participants' accounts upon DTC's receipt of funds and corresponding detail information from the Certificates on the payable date in accordance with their respective holdings shown on DTC's records. Payments by Participants to Beneficial Owners will be governed by standing instructions and customary practices, as is the case with securities held for the accounts of customers in bearer form or registered in "street name," and will be the responsibility of such Participant and not of DTC, the Trustee, the Corporation or the County, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of principal and interest with respect to the Certificates and to Cede & Co. (or such other nominee as may be requested by an authorized representative of DTC) is the responsibility of the County, the Corporation or the Trustee, disbursement of such payments to Direct Participants shall be the responsibility of DTC, and disbursement of such payments to the Beneficial Owners shall be responsibility of Direct and Indirect Participants. NO ASSURANCE IS GIVEN BY THE COUNTY OR THE CORPORATION THAT DTC AND DTC PARTICIPANTS WILL MAKE PROMPT TRANSFER OF PAYMENTS TO BENEFICIAL OWNERS. NEITHER THE COUNTY NOR THE CORPORATION IS RESPONSIBLE OR LIABLE FOR PAYMENTS OR FAILURES TO PAY BY DTC OR DTC PARTICIPANTS OR FOR SENDING TRANSACTION STATEMENTS OR FOR MAINTAINING, SUPERVISING OR REVIEWING RECORDS MAINTAINED BY DTC OR DTC PARTICIPANTS.

DTC may discontinue providing its services as securities depository with respect to the Certificates at any time by giving reasonable notice to the County or the Trustee, the Corporation or the County. Under such circumstances, in the event that a successor securities depository is not obtained, Certificates are required to be printed and delivered.

The County may decide to discontinue use of the system of book-entry transfers through DTC (or a successor securities depository). In that event, Certificates will be printed and delivered.

The foregoing description of the procedures and recordkeeping with respect to beneficial ownership interest in the Certificates, payment of principal and interest with respect to the Certificates to DTC Participants or Beneficial Owners, confirmation and transfers of the beneficial ownership interests in the Certificates and other related transactions by and between DTC, the DTC Participants and Beneficial Owners are based solely on the County's understanding of such procedures and recordkeeping, which is based solely on information provided by DTC. Accordingly, no representations can be made concerning these matters and neither the DTC Participants nor the Beneficial Owners should rely on the foregoing information with respect to such matters, but should instead confirm the same with DTC or the DTC Participants, as the case may be.

SOURCE OF PAYMENT FOR THE CERTIFICATES

The Certificates will be payable from Revenues received by the Trustee under the Trust Agreement, which consist of (a) Lease Payments (except certain indemnity payments); (b) all other moneys received or to be received by the Trustee pursuant to the Lease, including without limitation, all moneys and investments in the Lease Payment Fund, the Acquisition Fund, and all other rentals, revenues and other income charges and moneys realized from the lease, sale or other disposition of the Leased Property, except for any money in, or required to be deposited in, the Rebate Fund; (c) all Net Proceeds received by the Trustee under any liability or casualty insurance policies or upon condemnation; and (d) all income and profit from the investment of the foregoing moneys, except for any investment income that is required to be rebated to the United States of America in order to continue the exclusion from gross income for federal income tax purposes of the Interest Portion. The Lease will establish Base Rent payable on December 26 and June 26 of each year, commencing June 26, 2001 in amounts equal to the aggregate Principal Portions and Interest Portions then becoming due as provided in the Certificates. The Lease Payments include both Base Rent and any Additional Rent then due and will be payable substantially concurrently with and in amounts equal to the Principal Portions and Interest Portions evidenced by the Certificates, Trustee fees, and all other enumerated expenses.

The Lease will provide that the County's obligation to pay the Lease Payments will be absolute and unconditional, without any right of set-off or counterclaim, subject to and dependent upon annual Appropriations being made by the County to pay Lease Payments. See "SECURITY FOR THE CERTIFICATES – Nonappropriation" below. The County will covenant in the Lease that it will, to the extent permitted by law, include in its budget for each Fiscal Year during the Term of the Lease a sufficient amount to permit the County to make all of the Lease Payments and other payments required under the Lease. For a description of the budget process see "FINANCIAL MATTERS" – Introduction – Budget Process" herein. The County's obligation to pay Lease Payments will continue until all Lease Payments and all other amounts due under the Lease have been paid, unless the Lease is sooner terminated in accordance with its provisions.

The Lease Payments evidenced by the Certificates cannot be accelerated under the Lease or the Trust Agreement.

SECURITY FOR THE CERTIFICATES

General

Each Certificate will evidence a proportionate interest in Lease Payments under the Lease to be paid by the County directly to the Trustee as assignee of the Corporation under the Trust Agreement. The County's obligations to pay Lease Payments and any other obligations of the County under the Lease will be subject to and dependent upon annual Appropriations being made by the County to make Lease Payments. The initial term of the Lease will expire on June 30, 2001. The term shall be deemed extended automatically by the County for up to fourteen successive periods of one Fiscal Year commencing each July 1 for which an Appropriation is made by the last date on which the County may adopt a budget for that Fiscal Year. If the County does not make an Appropriation of moneys sufficient to pay Lease Payments in any succeeding Fiscal Year, the Lease will terminate and the County will be required to vacate and return possession of the Leased Property to the Trustee, all in accordance with and subject to the terms of the Lease and the Trust Agreement. In that event, the Trustee would be entitled to exercise all available remedies, which could include re-leasing, or selling the Leased Property. See "SECURITY FOR THE CERTIFICATES – Non-appropriation" below.

All moneys and investments held by the Trustee under the Trust Agreement (except moneys and investments in the Rebate Fund) will be irrevocably held in trust for the benefit of the Owners and the County, as their interests appear, and for the purposes specified in the Trust Agreement and such moneys, and any income or interest earned thereon, will be expended only as provided in the Trust Agreement and will not be subject to levy or attachment by lien by or for the benefit of any creditor of the Trustee or the County.

Under the terms of the Lease, the County will be obligated to pay on each Lease Payment Date an amount equal to the Lease Payment then due. The Lease Payment due on each Lease Payment Date will equal the aggregate amount of the Principal Portion and Interest Portion evidenced by the Certificates becoming payable on the ensuing payment date, plus any Additional Rent due on such date. The Lease Term will commence as of November 1, 2000 and will end on the date on which all Lease Payments and all other amounts due under the Lease have been paid, unless sooner terminated in accordance with the provisions of the Lease. Amounts sufficient to make Lease Payments through June 30, 2001 have been Appropriated by the County.

See "RISK FACTORS" for a discussion of certain risks inherent in investing in the Certificates.

The County's obligation to pay Lease Payments does not constitute a debt or liability of the County within the meaning of any constitutional or statutory limitation. Neither the faith and credit nor the taxing power of the County will be pledged to pay the principal or interest evidenced by the Certificates. Payments with respect to the Certificates will be made solely from amounts derived under the terms of the Lease, including the Lease Payments, and amounts from time to time on deposit under the terms of the Trust Agreement. The Corporation has no taxing power nor any assets or other revenues with which the Certificates can or will be paid.

Non-appropriation

The Lease will provide that the obligation of the County to make Lease Payments will be subject to annual Appropriation by the Board. Such obligation will be a current expense of the County, payable exclusively from Appropriated monies, and will not be a general obligation or indebtedness of the County. If in any Fiscal Year the Board fails to Appropriate monies to pay Lease Payments, then the County will be relieved of any subsequent obligation under the Lease. The Lease will provide that if, prior to the last date occurring in any Fiscal Year in which the County is required or permitted to adopt its budget for such Fiscal Year, the County fails to make an Appropriation for the Lease Payments for such Fiscal Year, an Event of Non-Appropriation will be deemed to have occurred and the Lease will terminate as of June 30 of the preceding Fiscal Year.

In the event the Lease is terminated due to an Event of Non-Appropriation, the County is under no obligation to make any future Lease Payments and is not expected to continue to make such Lease Payments. Under such circumstances the Trustee (subject to proper indemnification of the Trustee) will have all legal and equitable rights and remedies to take possession of the Leased Property, and the County will agree to surrender possession of the Leased Property to the Trustee in at least as good condition and repair as when delivered to the County, ordinary wear and tear expected. In such event the Certificates will be subject to special redemption as described under "THE CERTIFICATES OF PARTICIPATION – Redemption Provisions - *Special Redemption*."

The Lease will provide that each Owner acquiring a Certificate acknowledges that Appropriation is a legislative act beyond the control of the Corporation or Trustee.

Limitations on Remedies

The enforceability of the Lease and the Trust Agreement will be subject to bankruptcy laws and other laws affecting creditor's rights and to the exercise of judicial discretion. Because of the delays inherent in obtaining judicial remedies, it should not be assumed that the remedies available to the Trustee could be accomplished rapidly. Any delays in the ability of the Trustee to obtain possession of the Leased Property could result in delays in the payment of principal and interest with respect to the Certificates.

The Trust Agreement will provide that prior to exercising any remedies, the Trustee may require that satisfactory indemnification and assurances be provided to it for reimbursement of all reasonable expense which it may incur in exercising its remedies. Such assurances may include but are not limited to, environmental audits or other evidence satisfactory to the Trustee that it will not incur liability by reason of any remedial action taken pursuant to the Trust Agreement.

In the event that an Event of Non-Appropriation occurs, there can be no assurance that the proceeds from any re-letting or sale of the Leased Property will be sufficient to pay in full the Principal Portion or the Interest Portion evidenced by the then Outstanding Certificates.

Defeasance

The Certificates will be subject to defeasance and may be paid or provided for with moneys or Defeasance Obligations provided by the County in connection with the County's exercise of its option to purchase the Leased Property prior to the scheduled maturity of all Certificates or an advance refunding of the Certificates.

THE LEASED PROPERTY

The Leased Property will consist of Desert Vista Hospital ("Desert Vista"), a psychiatric inpatient/outpatient facility and medical office complex, located at 570 W. Brown Street in Mesa, Arizona. Desert Vista opened in 1987 and is licensed for 120 beds. The facilities consist of four buildings situated on a ten-acre parcel with ample, convenient parking. Total square footage of the hospital and contiguous professional buildings is approximately 106,200 square feet. The main hospital building is single story except for the inpatient pods that are two stories. The first floor consists of 53,800 square feet of inpatient space, 7,750 square feet of outpatient space and 10,250 square feet of medical office space. The second floor of the hospital contains 34,400 square feet of inpatient space. There are a total of 60 inpatient rooms, all semi-private with showers.

Amenities at the facility include a dining/cafeteria area, fully equipped kitchen, multipurpose recreational rooms and a very secure, spacious inpatient environment. Outside amenities include a pool, tennis court, eating area, recreation area, gazebo and children's play area. Planned improvements to the Desert Vista facility include replacement of the roof and air conditioning units. Cost estimates are $300,000 for a new roof and $300,000 for new air conditioning units. Patching and painting of existing water-damaged areas and new carpeting in selected areas are estimated to cost approximately $90,000.

An independent appraisal shows the value of the Desert Vista building to be approximately $4 million and the value of the land to be approximately $1 million.

The County acquired the Leased Land and the Existing Improvements on October 30, 2000 from Charter Behavioral Systems, Inc. for a purchase price of $4,500,000.00. Upon delivery of the Certificates, the Corporation will apply $4,500,000.00 from proceeds of the Certificates to purchase the Leased Land and the Existing Improvements from the County pursuant to the Acquisition and Assignment Agreement, dated as of November 1, 2000, between the Corporation and the County (the "Assignment Agreement"). Pursuant to the Assignment Agreement, the County will agree, as agent of the Corporation, to cause the construction or acquisition of the New Improvements from proceeds of the Certificates.

SOURCES AND USES OF FUNDS

The proceeds from the sale of the Certificates will be applied as follows:

Sources of Funds:	
Par Amount of Certificates	$6,975,000.00
Less Discount	(69,750.00)
Accrued Interest	20,351.48
Total Sources	$6,925,601.48
Uses of Funds:	
Deposit to Acquisition Fund	$6,780,250.00
Deposit to Debt Service Fund	20,351.48
Deposit to Costs of Issuance Fund	125,000.00
Total Uses	$6,925,601.48

CERTIFICATE PAYMENT REQUIREMENTS

The following schedule reflects the semiannual payment requirements of the Certificates and all Certificates outstanding as set forth in the Trust Agreement. Such payments correspond to the Lease Payments which will be payable by the County pursuant to the Lease on each December 26 and June 26 preceding each January 1 and July 1 Certificate payment date. The County anticipates that, with respect to the Certificates, a portion of the revenues used to pay Lease Payments under the Lease will originate from the County's General Fund.

Schedule of Certificate Payments (a) (c)

Date	Principal	Interest (b)	Total Principal and Interest
7-1-01	$435,000	$232,588	$667,588
7-1-02	330,000	329,307	659,307
7-1-03	345,000	314,128	659,128
7-1-04	365,000	298,085	663,085
7-1-05	385,000	280,930	665,930
7-1-06	400,000	262,643	662,643
7-1-07	420,000	243,442	663,442
7-1-08	445,000	223,073	668,073
7-1-09	465,000	201,267	666,267
7-1-10	490,000	178,250	668,250
7-1-11	520,000	153,750	673,750
7-1-12	545,000	127,230	672,230
7-1-13	575,000	98,890	673,890
7-1-14	610,000	68,415	678,415
7-1-15	645,000	35,475	680,475
Total	$6,975,000	$3,047,473	$10,022,473

(a) The schedule of payment requirements for the Certificates was prepared by U.S. Bancorp Piper Jaffray Inc., Financial Advisor to the County. Interest and total principal and interest payments are rounded to the nearest dollar. This schedule has been prepared on the basis of the County's payment of Lease Payments to the Trustee on December 26 and June 26 preceding each January 1 and July 1 payment dates, respectively.

(b) The first payment on the Certificates will be due on July 1, 2001, and will include eight months' interest from the date of the Certificates. Thereafter, payments on the Certificates will be made semiannually on each July 1 and January 1.

(c) The holders of the Certificates have no claim on any lease payments other than the lease payments under the Lease to be applied to pay the Certificates.

THE COUNTY

Organization

The County is governed by a five-member Board, each of whom is elected for a four-year term to represent one of the designated districts within the County. The chairman is selected by the Board from among its members. The Board is responsible for establishing the policies of the various County departments and approving the annual budgets of these departments. The Board appoints a County Administrative Officer who is responsible for the general administration and overall operation of the various departments of the County.

Brief resumes of the Board Members, County Administrative Officer, Deputy County Administrative Officer and Chief Financial Officer are set forth below.

- *Andrew Kunasek, Board Chairman.* By the unanimous vote of his fellow members, Mr. Kunasek was appointed to the Board of Supervisors in September of 1997. Mr. Kunasek was subsequently elected by the constituency of District 3 in 1998. Mr. Kunasek is an Arizona native and earned a Bachelor of Science degree in management from Arizona State University in 1986. Mr. Kunasek owns interests in several farming, citrus and cattle operations, and is president of Mercado Management, a diversified land acquisition and real estate management company. Mr. Kunasek has been active in his community having served as treasurer of the Maricopa County Republican Party; Maricopa County Trial Court Selection Committee; Maricopa County Charter Committee; and the Maricopa County Citizens Judicial Advisory Council. He was also a 1996 Delegate to the Republican National ConventionMr. Kunasek, wife Kimberly and their daughter live in North Phoenix.

- *R. Fulton Brock, Board Member.* Mr. Brock was elected to the Maricopa County Board of Supervisors in November 1996, and took office in January 1997. A former State Representative of District Six in the Arizona House of Representatives, Mr. Brock served as Vice-Chairman of the Commerce Committee and member of the Economic Development, International Trade and Tourism, Banking and Insurance and Rules Committees. After graduating from the Centre College of Kentucky with a Bachelor of Science Degree, Mr. Brock worked with Occidental Petroleum; H.B.H. Coal Companies as Assistant to the President; and the Golder Corporation which specializes in commercial real estate. In 1982, Mr. Brock founded LDC, Inc. In less than ten years under his leadership, LDC grew to be the largest privately held telephone/operator service company headquartered in Arizona. Presently, he is the owner and president of UniFon/UniDial, a telecommunications company that markets to corporations, associations and financial institutions. Mr. Brock currently serves on the Board of Directors for the Greater Phoenix Economic Council; is a member of the Governor's Regional Airport Advisory Committee and serves on the MAG Regional Development Policy Committee. Mr. Brock has also served as a Board Member for the Phoenix and Valley of the Sun Convention and Visitors Bureau; the Governor's Science and Technology Council; Phoenix Children's Hospital Foundation Board of Directors and the Phoenix Dial Corporation Toastmasters. Mr. Brock's other activities have included the Arizona Management Society; Tempe YMCA fund-raiser; Boy Scouts of America Eagle Scout and Scoutmaster; Pop Warner and Little League Coach; and he is a licensed private pilot. Mr. Brock, Susan, his wife of 17 years, and their three daughters are residents of Chandler.

- *Don Stapley, Board Member.* Mr. Stapley was first elected to the Maricopa County Board of Supervisors in November 1994 and re-elected for a four-year term in November 1996. Mr. Stapley was elected as the 1997 chairman of the Board of Supervisors and is the current chairman of the

Maricopa Integrated Health System. As a member of the Board of Supervisors, Mr. Stapley represents the County as a member of the Maricopa Association of Governments Regional Council and the Board of Health. Mr. Stapley was born in Phoenix and earned a Bachelor of Arts degree from Brigham Young University in Provo, Utah, and attended the School of Law at Loyola University in Los Angeles. He is president and general manager of Stapley & Company, a diversified commercial/industrial development firm that specializes in acquisition, planning, financing and marketing of real estate development projects. He also is a general partner with DKS Holding, a privately held partnership that owns and manages income-producing properties; and president of Arroyo Pacific Investments, Inc., a privately held firm that owns and manages Saguaro Village Shopping Center in Mesa. Mr. Stapley's community service includes: the Lutheran Health Care Network Board of Directors and Fiscal Affairs Committee for more than 10 years; member of the Mesa Baseline Rotary Club, member of Maricopa County Board of Adjustments, 1976-1980; Theodore Roosevelt Council of Boy Scouts of America, the Mesa Education Foundation of Mesa Public Schools, the Mesa Family YMCA, and the Mesa Eastern Little League. Stapley and his wife Kathy have four children and are actively involved in the East Valley.

- *Janice K. (Jan) Brewer, Board Member.* Ms. Brewer was elected to the Maricopa County Board of Supervisors in November 1996 and took office in January 1997. Ms. Brewer served in the Arizona State Legislature for 14 years, as a State Representative from 1983-86 and as a State Senator from 1987-96. During her time in the Senate she held the leadership position of Majority Whip for four years from 1993 through 1996. In addition, Ms. Brewer served on several committees covering issues from health care to taxes. Currently, Ms. Brewer Chairs the Maricopa County Hospital and Health Systems Board and a newly created Countywide Streamlining Committee. Additionally, Supervisor Brewer serves on Greater Phoenix Economic Council and the Governor's Regional Airport Advisory Committee. Ms. Brewer contributes a great deal of time to the community serving as the Governor's appointee on the Governor's Military Task Force and the Arizona Criminal Justice Commission (ACJC). As the Vice-Chairman of ACJC, Ms. Brewer works with all levels of the criminal justice community to reduce crime in Arizona. In addition, Ms. Brewer serves as Chairman of the Board of Directors for META Services Inc., a behavioral health service provider, and is a member of the Northwest Valley and Wickenburg Chambers of Commerce. A businesswoman, Ms. Brewer is also a licensed radiological technician. She is married, a devoted mother of three sons and a member of Christ the Redeemer Lutheran Church. Ms. Brewer has lived in Arizona since 1970.

- *Mary Rose Garrido Wilcox, Board Member.* Ms. Wilcox was re-elected to the Maricopa County Board of Supervisors in November 1996 for a second four-year term. She was recently honored as being the first Hispanic woman to ever serve on the Phoenix City Council and the Maricopa County Board of Supervisors. A fourth generation native of Arizona from a pioneer Latino family, she was born November 21, 1949, in Superior Arizona. A 1967 graduate of Superior High School, she attended Arizona State University majoring in social work. Mary Rose has devoted her career to public service, beginning in 1971 as a field coordinator for housing relocation and job placement for the city of Scottsdale. Within a year, she went on to the Maricopa Manpower Program as a job developer/personnel aide administering job-training programs. She then became a special assistant in U.S. Senator Dennis DeConcini's office from 1977 to 1983. She served as a liaison for business and farming communities to the Small Business Administration and the Farmers Home Administration. Elected to the Phoenix City Council in 1983, she served until June of 1992, when she resigned to run for her present post. Community activities include membership on the boards of the Phoenix Economic Growth Corporation, Phoenix Symphony, Genesis Program, Friendly House, Downtown Phoenix Partnership and the Arizona Hispanic Women's Corporation (founding member in 1983 and executive director 1988-89). She serves as vice chair of the National Association of Counties

Community and Economic Development Policy Committee and is a member of the Mexican American Legal Defense and Education Fund (MALDEF). Since 1988 she has been a board member of both the National Council of La Raza (NCLR) and the National Association of Latino Elected and Appointed Officials (NALEO). She and her husband Earl, formerly a justice of the peace and state representative, live in Phoenix. They have a daughter, son-in-law and four grandsons.

- *David Smith, County Administrative Officer.* David Smith was selected as county administrative officer in October 25, 1994, and assumed responsibilities on December 1, 1994. He succeeded Roy Pederson, who resigned March 3, 1994, and Barbra Cooper, who served in an interim capacity for nine months. Mr. Smith earned a Bachelor of Arts degree in Government from Dartmouth College, Hanover, NH, in 1968; a Master's degree in Public Administration from New York University, New York, NY, in 1976; and a Juris Doctorate degree from Pace University Law School, White Plains, NY, in 1983. After three years with the US Marine Corps Reserve, which included service in Vietnam as a lieutenant, Mr. Smith began his public service career in November 1971, as an administrative officer with Orange County, Goshen, NY. In March 1977, he became director of Intergovernmental Relations for Westchester County, White Plains, NY, then served three years as counsel to the New York State Lieutenant Governor in Albany, NY. From Aug. 1985 to Dec. 1987, he served as assistant city manager for Yonkers, NY. From January 1988 until November 1994, he was deputy county executive, the chief appointed administrative officer, for Erie County, Buffalo, NY. Mr. Smith's professional associations include the American Society for Public Administration and National Association of County Administrators. He served as vice chairman of the New York State Association of Counties' Legislative Committee and is a member of the New York State Bar. Previous and current community activities include serving on the executive board for the Boy Scouts of America's Greater Niagara Frontier Council; the board of the Greater Buffalo Athletic Corporation; and the United Way of Buffalo and Erie County. He currently serves on the Valley of the Sun United Way Board of Directors, Downtown Phoenix Partnership, and Phoenix Community Alliance.

- *Sandi Wilson, Deputy County Administrator.* Sandi Wilson joined Maricopa County on February 16, 1993, after many years in private industry. After four months, she was appointed the Budget Director and began the establishment of a strong budget office. Now, as the Deputy County Administrator, she is remains responsible for the County's budget of just over $2 billion. She is also responsible for the County's Human Resources, Organizational Planning and Training, Research and Reporting, Health Care Mandates and the Medical Eligibility departments. Ms. Wilson entered her career in private industry with American Express as a customer service supervisor that later led to the planning and development specialist. She was responsible for all short and long-range business plans for the division, which included the coordination of a $90 million operating budget and a $100 million CIP plan. This experience led her to accept the position of Financial Services Director for their Worldwide Technologies Division in 1990, responsible for directing and managing a wide range of financial services for the Worldwide Information Processing and Technologies sector. Ms. Wilson is a native of Arizona, born in Phoenix. In 1982 she received her Bachelors of Science Degree in General Business with an emphasis in Finance and Management from Arizona State University. She earned her Masters of Business Administration from the University of Phoenix in 1988. Additionally, she completed her certification in Human Resource Management from the University of Phoenix in 1997. Ms. Wilson resides in the Phoenix area with her husband and daughter.

- *Tom Manos, Chief Financial Officer.* Tom joined Maricopa County in 1984 as the Deputy County Auditor. In 1996, he assumed the position of Administrator for the County's Parks and Library Departments. In February of 1998 he was appointed acting Chief Financial Officer and three months later his appointment was made permanent. Tom is responsible for the County's Finance Department as well as the Risk Management and Materials Management departments. During his tenure as Chief Financial Officer, the County has received three upgrades from the major rating agencies. He is former president of the Arizona Local Government Auditors Association and has been a Board Member of the Phoenix, Downtown YMCA. Tom is a native of Arizona, and graduated from Arizona State University with a Bachelors of Science Degree in Finance. Upon graduation, he served in the Peace Corps, where he worked for the World Bank in Liberia, West Africa. Tom lives in Phoenix with his wife and three children.

Economic and Demographic Information

A discussion of economic and demographic information concerning the County is contained in Appendix A hereto.

FINANCIAL MATTERS

Introduction – Budget Process

The County's Fiscal Year begins July 1 and ends the following June 30, coinciding with the State of Arizona's fiscal calendar. The County's budget process is an ongoing process. Each Fiscal Year's process starts in early December of the prior Fiscal Year with an analysis of revenue and expenditure data from the first half of the current Fiscal Year. A preliminary forecast of economic conditions for the next Fiscal Year, including revenue projections, is then made. These forecasts and projections are based on national, state and local economic trends as well as the analyses by the County's budget office.

The next step is a preliminary estimate of maximum expenditure levels for the County as a whole. This, in turn, is the basis for the development of budget policies that provide County administrators and managers at all levels with a philosophical starting point from which to reallocate funds to match program priorities. All budget policies are directed and approved by the Board.

Budget policies are then sent to all department directors in February. By mid-February, the County budget office conducts a budget workshop to brief the department directors and departmental budget analysts on the budget preparation process. During this meeting, department directors and departmental budget analysts are able to clarify any questions regarding current year budget policies as set forth by the Board. A budget calendar, which summarizes the process and provides the timeframe for milestones and deadlines, is also provided to the departments.

Departmental budget requests for appointed departments are then completed and submitted to the Budget Office for review and approval. Elected officials submit their department budgets to the Board via the County Administrative Officer and the County's Budget Office. The final departmental budget requests are submitted to the Board as the Tentative Budget in early June. The exact date of presentation of the Tentative Budget is contingent upon the adjournment of the state legislature, since additional mandates may require the County to modify the budget. The Tentative Budget, which sets the maximum expenditure and revenue limits for the Fiscal Year, is then approved by the Board. The final budget is adopted by late July following a public hearing, followed by the setting of property tax rates by the third Monday in August. The adopted property tax rate must be sufficient together with other revenues to cover the expenditure total in the approved annual budget.

Expenditure Limitation

The County is subject to an annual expenditure limitation which is set by the Arizona Economic Estimates Commission. This limitation is based on the County's annual expenditures for Fiscal Year 1979-80, with this base adjusted to reflect interim population, cost of living and boundary changes. Certain expenditures are specifically exempt from the limit, including expenditures made from federal funds and bond sale proceeds, as well as debt service payments. The limitations can be exceeded for certain emergency expenditures or if approved by the voters. The Constitutional provisions which relate to the expenditure limitation provide three processes to exceed the spending limit: a permanent base adjustment, a one-time override, and a capital project accumulation. In Fiscal Year 1999-2000, the expenditure limitation for the County was $569,876,519. The County's expenditure limitation for Fiscal Year 2000-2001 is $569,368,924.

Tax Levy Limit

The County is also subject to an ad valorem tax levy limit concerning its operational budget. The Arizona Constitution provides that "the maximum amount of ad valorem taxes levied by any county shall not exceed an amount two per cent greater than the amount levied in the preceding year." The limit does not apply to: (1) debt service for bonds or other lawful long-term obligations (not including the Certificates), (2) taxes levied for support of schools, or (3) other immaterial exceptions.

The statutory provision implementing the Constitutional provision allows for the inclusion of new property not formerly taxed and permits the County to take new construction into consideration when setting the levy limit. Therefore, the amount which may be raised through ad valorem taxes in any tax year may exceed two percent of the levy for the prior tax year.

Property Taxes, Bonded Indebtedness and Other Financial Data

For a discussion of County property taxes, assessed valuation, debt limits, bonded indebtedness and other financial data see Appendix B.

THE COUNTY'S GENERAL FUND

The County intends to make the Lease Payments from moneys appropriated for such purpose from the County's general fund (the "General Fund") as approved by the Board of Supervisors of the County in the annual budget for the County. The table below sets forth the annual revenues, expenditures and year-end balances for the General Fund from applicable audited and unaudited financial statements and adopted budgets of the County. Information contained in the table on the following page represents such audited and unaudited budgeted financial information and is not to be construed in any fashion as an indicator of future results. The County will provide a certificate at closing to the effect that such information fairly presents the financial position, results of operations and changes in fund balances of the General Fund as of the dates and for the periods set forth in this Official Statement.

General Fund
Revenues, Expenditures and Fund Balance

	1995-96	1996-97	1997-98	1998-99	1999-00	Budgeted 2000-01 (2)
Revenues/Sources (1)	$632,914,545	$638,039,654	$665,404,549	$720,049,539	$672,720,385	$760,839,900
Expenditures/Uses	602,916,615	617,511,396	638,364,186	686,850,269	664,001,049	717,274,633
Fund Balance	60,884,599	81,520,328	119,759,685	145,038,481	160,804,655	-

(1) Includes fund balances from prior year.
(2) The County is required by applicable law to have a balanced budget (i.e. a zero year end fund balance). Actual figures may vary significantly from budgeted figures shown here (including the resulting year end fund balance). As forward looking statements, such amounts should be reviewed with an abundance of caution. The estimated amounts for the fiscal year ending June 30, 2001, are not intended as statements or representations of fact or certainty, and no representation is made as to the correctness of such estimates or that they will be realized. Such estimates are subject to change without notice.

County Operating Funds
Total Fund Balance/Equity

	1995-96	1996-97	1997-98	1998-99	1999-00	Budgeted 2000-01
General Fund	60,884,599	81,520,328	119,759,685	145,038,481	160,804,655	-
Internal Service Funds	22,411,319	(3,750,511)	(555,305)	(15,562,347)	(15,204,515)	859,615
Enterprise and Health Funds	68,807,918	70,677,339	77,334,679	94,414,687	116,308,644	42,074,429
Total Fund Balance/Equity	152,103,836	148,447,156	196,539,059	223,890,821	261,908,784	42,934,044

RISK FACTORS

The purchase of the Certificates involves certain investment risks that are discussed throughout this Official Statement. Accordingly, each prospective purchaser of the Certificates should make an independent evaluation of all the information presented herein. The following factors, along with all other information in this Official Statement, should be considered by potential investors in evaluating the Certificates.

Limited Obligation. The obligation of the County to pay the Lease Payments will not be secured by the levy or pledge of any tax or any other funds and does not constitute a debt or indebtedness of the County or the State within the meaning of any constitutional or statutory debt limitation or restriction. See "SECURITY FOR THE CERTIFICATES." The Lease Payments will be payable by the County, subject to annual budgeting and appropriation, from the County's General Fund. See "THE COUNTY'S GENERAL FUND."

No Pledge of County Funds. No funds or revenues of the County will be pledged, obligated or restricted for the payment of the Lease Payments. In addition, the County has the right to refuse to appropriate funds and thus terminate the Lease for any reason including inadequacy of the Leased Property. Were the County to refuse to appropriate funds and thereby terminate the Lease, there will be no assurance that the Trustee would have adequate funds under the Trust Agreement to pay interest and principal represented by the Certificates.

Other Obligations of County. There is presently outstanding $22,888,380.53 aggregate principal amount of Certificates of Participation from Series 1993, Series 1994, Series 1996 and Series 2000, payable from the same funding source that the County will use to make the Lease Payments. The County has the capacity to enter into other obligations which are payable from the same funds or revenues it will use to make the Lease Payments. To the extent that additional obligations are incurred by the County, the funds available to make the Lease Payments may be decreased. The Lease will impose no restrictions upon the ability of the County to incur such additional obligations.

Termination of Lease. In addition to termination of the Lease upon non-appropriation of funds as described herein under the heading "SECURITY FOR THE CERTIFICATES – Non-appropriation;" several other events may lead to a termination of the Lease:

(1) an Event of Default on the part of the County and an election by the Trustee to terminate the Lease (see "Appendix D – SUMMARY OF LEASE – Section 15, "Defaults and Remedies"

(2) the taking of all of the Leased Property under the power of eminent domain described below; and

(3) violation of certain State statutes pertaining to conflicts of interest described below.

If an Event of Default under the Lease occurs, the Trustee may terminate the Lease and relet or sell the Leased Property. The Net Proceeds from the re-leasing or sale of the Leased Property, together with other moneys then held by the Trustee under the Trust Agreement including the moneys, if any, then in the Acquisition Fund, will be required to be used under the Trust Agreement to pay principal and interest represented by the Certificates as it becomes due, to the extent of such moneys. No assurance can be given that the amount of such funds would be sufficient to pay all Certificates when due.

The County will be required in the Lease to purchase and maintain property insurance or self-insurance on the Leased Property in amounts not less than the full replacement cost of the Leased Property. The Lease will require that, in the event of damage or destruction of the Leased Property, insurance proceeds will be applied to the replacement of the Leased Property or, in certain circumstances, for the special redemption of all or a portion of the Certificates. (see "Appendix D – SUMMARY OF LEASE – Section 10–Insurance."

In the event that the Leased Property has been taken in whole pursuant to such eminent domain proceedings, all Net Proceeds, together with funds, if any, then on hand in funds held by the Trustee, will be applied to the special redemption of the Certificates, and the Lease will terminate on the date possession is taken from the County. No assurance can be given that the Net Proceeds of eminent domain and other moneys available under the Trust Agreement will be sufficient to redeem all of the Outstanding Certificates.

In the event that the Lease is terminated, the Trustee will be authorized to re-lease or sell the Leased Property and to apply the proceeds therefrom toward the payment of the Certificates. The Leased Property contains certain features, however, which are generally not included in buildings used for other than hospital or medical office purposes. Consequently, it could be difficult to find a lessee or purchaser for the Leased Property and, upon any event of termination of the Lease or default by the County under the Lease, the Trustee may not realize sufficient moneys from the re-leasing or sale of the Leased Property to provide for the payment of the Certificates in full with interest to the scheduled dates of payment. In other words, due to the special purpose nature of the Leased Property and the uncertainties of the needs of others for hospital or medical office facilities, no assurance can be given that the proceeds from any release, sale or other disposition of the Leased Property will be sufficient to pay the principal of and interest represented by the Certificates. Furthermore, in the event of termination, there is no assurance that the Interest Portion paid from sources other than the County will remain excludable from gross income for federal income tax purposes. See "TAX EXEMPTION."

The Lease will obligate the County to lease the Leased Property which is comprised of facilities which are to be used solely for lawful activities in which the System may engage and is, thus, a contract to pay for facilities of a governmental nature. The agreement to budget and appropriate the Lease Payments in future Fiscal Years may, therefore, be governmental in nature. Arizona courts have held that governing bodies such as the County Board of Supervisors cannot bind future governing bodies to perform governmental functions or activities. Thus, notwithstanding the commitment of the County to budget and appropriate the Lease Payments, to the extent permitted by law, such commitment may not be binding on future County Boards of Supervisors. Moreover, changes in the membership and political philosophies of the County Board of Supervisors may occur, and it cannot be determined at this time if future members of the County Board of Supervisors might refuse to budget sufficient amounts to make the Lease Payments in future Fiscal Years.

As required by the provisions of Section 38-511, Arizona Revised Statutes, as amended, the County may, within three years after its execution, cancel any contract including the Trust Agreement and the Lease (collectively, the "Financing Documents"), without penalty or further obligation, made by the County if any person significantly involved in initiating, negotiating, securing, drafting, or creating the Financing Documents on behalf of the County (a "County Representative") is, at any time while the Financing Documents or any extension thereof are in effect, an employee of any other party to the Financing Documents in any capacity or a consultant to any other party of the Financing Documents with respect to the subject matter thereof. The cancellation shall be effective when written notice from the County Board of Supervisors is received by all other parties to the Financing Documents unless the notice specifies a later time.

Special Counsel is not rendering an opinion as to the applicability or inapplicability of the registration requirements of the Securities Act of 1933, as amended, to the transfer of any Certificates in the event payments are received from sources other than funds made available by the County as a result of termination of the Lease for any reason. If the Lease is terminated while the Certificates are Outstanding, there is no assurance that after such termination Certificates may be transferred by a Certificate Owner without compliance with the registration provisions of the Securities Act of 1933, as amended, or that an exemption from such registration is available.

Limitations on Remedies. Due to the special purpose nature of the Leased Property and the limited number of potential users of the Leased Property, no assurance can be given that the proceeds from any re-leasing or sale of the Leased Property will be sufficient to pay in full all Outstanding Certificates. The enforcement of any remedies provided in the Lease-Purchase Agreement and the Trust Agreement could prove both expensive and time consuming. In addition, the enforceability of the Lease and the Trust Agreement will be subject to applicable bankruptcy laws, equitable principles affecting the enforcement of creditors' rights generally and liens securing such rights, and the police powers of the State and its political subdivisions. Because of delays inherent in obtaining judicial remedies, it should not be assumed that these remedies could be accomplished rapidly. Any delays in the ability of the Trustee to obtain possession of the Leased Property upon termination of the Lease or exercise of remedies upon default by the County may result in delays in payment of the Certificates.

Although the Lease and the Trust Agreement provide that the Trustee may take possession of the Leased Property and release or sell the Leased Property if there is a default by the County thereunder or if the County terminates the Lease and the Lease provides that the Trustee may have such rights of access to the Leased Property as may be necessary to exercise any remedies, no assurance can be given that revenues from the Trustee's reletting or sale of the Leased Property would be sufficient to pay in full all Outstanding Certificates.

Upon the termination of the Lease or if the County defaults in its obligation to make Lease Payments thereunder, the County, pursuant to the Lease-Purchase Agreement, will promptly return possession of the Leased Property to the Trustee within 45 days of written notice. In an event of default, the Trustee will be required to take action to force the County to surrender possession of the Leased Property. However, under the terms of the Trust Agreement, the Trustee will not be under any obligation to take any other action if the Trustee determines that to do so exposes the Trustee to a risk of financial liability (including environmental liability) for which it reasonably believes it is not adequately indemnified. Prior to taking other actions under the Trust Agreement, the Trustee may request assurances, such as an additional environmental audit, that it will not incur liability by reason of any other action taken by the Trustee pursuant to the Trust Agreement.

Other Considerations. Arizona counties are required by Arizona law to provide certain levels of indigent health care. The costs of such care may increase, requiring greater contributions from the General Fund. The effect of such increases on the County's continued ability to appropriate the Lease Payments in future Fiscal years cannot be determined at this time.

The audited financial statements of the County included in APPENDIX C hereto are for the Fiscal Year ended June 30, 2000, and are the most recent audited financial statements available for the County.

LITIGATION

To the knowledge of the appropriate representatives of the County, no litigation or administrative action or proceeding is pending or threatened restraining or enjoining, or seeking to restrain or enjoin, the execution or delivery of the Certificates or contesting or questioning the proceedings and authority under which the Certificates have been authorized and are to be executed, sold or delivered, or the validity of the Certificates. To the knowledge of the appropriate representatives of the County, no litigation or administrative action or proceeding is pending or threatened against the County contesting or questioning the authority for, or restraining or enjoining, or seeking to restrain or enjoin, the execution, delivery or performance of (i) the Lease or the acquisition of the Project or the payment of Lease Payments or other amounts pursuant thereto, or (ii) the Trust Agreement.

LEGAL MATTERS

Legal matters incident to the execution and delivery of the Certificates and with regard to the tax-exempt status of the Interest Portion of the Base Rent under the Lease (see "Tax Exemption") will be subject to the legal opinion of Chapman and Cutler, whose services as Special Counsel have been retained by the County. The signed legal opinion of Chapman and Cutler, dated and premised on the law in effect as of the date of original delivery of the Certificates, will be delivered to the County at the time of original delivery.

The proposed text of the legal opinion is set forth as Appendix E. The legal opinion to be delivered may vary from the text of Appendix E if necessary to reflect the facts and law existing on the date of delivery. The opinion will speak only as of its date, and subsequent distribution, by recirculation of this Official Statement or otherwise, should not be construed as a representation that Special Counsel has reviewed or expressed any opinion concerning any matters relating to the Certificates subsequent to the original delivery of the Certificates. Certain matters will be passed upon for the County with respect to disclosure in this Official Statement by Squire, Sanders & Dempsey L.L.P.

TAX EXEMPTION

Federal tax law contains a number of requirements and restrictions which apply to the Certificates, including investment restrictions, periodic payments of arbitrage profits to the United States, requirements regarding the proper use of bond proceeds and the facilities financed therewith, and certain other matters. The Corporation and the County have covenanted to comply with all requirements that must be satisfied in order for the portion of Lease Payments made from funds made available by the

County designated as interest and represented by the Certificates (the *"Interest Portion"*) to be excludible from gross income for federal income tax purposes. Failure to comply with certain of such covenants could cause the Interest Portion to become includible in gross income for federal income tax purposes retroactively to the date of delivery of the Certificates.

Subject to the Corporation's and the County's compliance with the above-referenced covenants, under present law, in the opinion of Special Counsel, the Interest Portion is not includible in the gross income of the owners thereof for federal income tax purposes, and is not included as an item of tax preference in computing the federal alternative minimum tax for individuals and corporations. The Interest Portion is taken into account, however, in computing an adjustment used in determining the federal alternative minimum tax for certain corporations and in computing the "branch profits tax" imposed on certain foreign corporations.

In rendering its opinion, Special Counsel will rely upon certifications of the Corporation and the County with respect to certain material facts solely within the Corporation's and the County's knowledge. Special Counsel's opinion represents its legal judgment based upon its review of the law and the facts that it deems relevant to render such opinion and is not a guarantee of a result.

The Internal Revenue Code of 1986, as amended (the *"Code"*) includes provisions for an alternative minimum tax (*"AMT"*) for corporations in addition to the corporate regular tax in certain cases. The AMT, if any, depends upon the corporation's alternative minimum taxable income (*"AMTI"*), which is the corporation's taxable income with certain adjustments. One of the adjustment items used in computing the AMTI of a corporation (excluding S Corporations, Regulated Investment Companies, Real Estate Investment Trusts, REMICs and FASITs) is an amount equal to 75% of the excess of such corporation's "adjusted current earnings" over an amount equal to its AMTI (before such adjustment item and the alternative tax net operating loss deduction). "Adjusted current earnings" would include all tax exempt interest, including the Interest Portion.

Under the provisions of Section 884 of the Code, a branch profits tax is levied on the "effectively connected earnings and profits" of certain foreign corporations, which include tax-exempt interest such as the Interest Portion.

Ownership of the Certificates may result in collateral federal income tax consequences to certain taxpayers, including, without limitation, corporations subject to the branch profits tax, financial institutions, certain insurance companies, certain S corporations, individual recipients of Social Security or Railroad Retirement benefits and taxpayers who may be deemed to have incurred (or continued) indebtedness to purchase or carry tax-exempt obligations. Prospective purchasers of the Certificates should consult their tax advisors as to applicability of any such collateral consequences.

If a Certificate is purchased at any time for a price that is less than the Certificate's stated redemption price at maturity, the purchaser will be treated as having purchased a Certificate with market discount subject to the market discount rules of the Code (unless a statutory *de minimis* rule applies). Accrued market discount is treated as taxable ordinary income and is recognized when a Certificate is disposed of (to the extent such accrued discount does not exceed gain realized) or, at the purchaser's election, as it accrues. The applicability of the market discount rules may adversely affect the liquidity or secondary market price of such Certificate. Purchasers should consult their own tax advisors regarding the potential implications of market discount with respect to the Certificates.

There are or may be pending in the Congress of the United States legislative proposals, including some that carry retroactive effective dates, that, if enacted, could alter or amend the federal tax matters referred to above or adversely affect the market value of the Certificates. It cannot be predicted whether or in what form any such proposal might be enacted or whether, if enacted, it would apply to bonds issued prior to enactment. Prospective purchasers of the Certificates should consult their own tax advisors regarding any pending or proposed federal tax legislation. Special Counsel expresses no opinion regarding any pending or proposed federal tax legislation.

In the opinion of Special Counsel, the Interest Portion is exempt from present State of Arizona income taxation as long as such interest is excluded from gross income for federal income tax purposes Ownership of the Certificates may result in other state and local tax consequences to certain taxpayers. Special Counsel expresses no opinion regarding any such collateral consequences arising with respect to the Certificates. Prospective purchasers of the Certificates should consult their tax advisors regarding the applicability of any such state and local taxes.

Risk of Audit by Internal Revenue Service

The Internal Revenue Service (the *"Service"*) has an ongoing program of auditing tax–exempt obligations to determine whether, in the view of the Service, interest on such tax-exempt obligations is includible in the gross income of the owners thereof for federal income tax purposes.

No assurances can be given as to whether or not the Service will commence an audit of the Certificates. If an audit is commenced, under current procedures the Service will treat the Corporation as the taxpayer and the Certificateholders may have no right to participate in such procedure. Special Counsel is not obligated to defend the tax-exempt status of the Interest Portion. The County and the Corporation have covenanted to respond in a commercially reasonable manner to any inquiries from the Service in connection with such an examination. None of the Corporation, the County or Special Counsel is responsible to pay or reimburse the costs of any Certificateholder with respect to any audit or litigation relating to the Certificates.

RATINGS

The Certificates have been rated "A2" by Moody's Investors Service ("Moody's") and "AA-" by Fitch, Inc. ("Fitch"), respectively. Such ratings reflect only the view of Moody's and Fitch, respectively. An explanation of the significance of the rating assigned by Moody's may be obtained from Moody's Investors Service at 99 Church Street, New York, New York 10007. An explanation of the significance of the ratings assigned by Fitch may be obtained from Fitch, One State Street Plaza, New York, New York, New York 10004. The respective ratings do not represent a recommendation to buy, sell or hold the Certificates. The respective ratings may subsequently be revised downward or withdrawn entirely by Moody's and Fitch, if, in their respective judgment, circumstances so warrant. Any subsequent downward revision or withdrawal of such ratings may have an adverse effect on the market price and marketability of the Certificates.

CERTIFICATION CONCERNING OFFICIAL STATEMENT

The closing documents will include certificates confirming that, to the best knowledge, information and belief of the appropriate representatives of the County, the description and statements contained in this Official Statement relating to the County and its operation and properties were at the time of the sale, and are at the time of closing, true, correct and complete in all material respects and did not and do not contain an untrue statement of a material fact or omit to state a material fact required to be stated therein in order to make the statements, in light of the circumstances under which they are made, not misleading. In the event this Official Statement is supplemented or amended to the date of delivery of the Certificates, the foregoing confirmation will also encompass such supplements or amendments.

CONTINUING SECONDARY MARKET DISCLOSURE

The County will enter into a Continuing Disclosure Undertaking (the "Undertaking") with respect to the Certificates for the benefit of the beneficial owners of such Certificates to send certain information annually and to provide notice of certain events to certain information repositories pursuant to the requirements of Section (b)(5) of Rule 15c2-12 (the "Rule") adopted by the Securities and Exchange Commission under the Securities Exchange Act of 1934. The specific nature of the information to be provided on an annual basis, the events which will be noticed on an occurrence basis and other terms of the Undertaking, are set forth in "Appendix F – FORM OF CONTINUING DISCLOSURE UNDERTAKING."

A failure by the County to comply with the Undertaking will not constitute a default under the Lease or the Trust Agreement and owners of the Certificates are limited to the remedies described in the Undertaking. See "Appendix F – FORM OF CONTINUING DISCLOSURE UNDERTAKING." A failure by the County to comply with the Undertaking must be reported in accordance with the Rule and must be considered by any broker, dealer or municipal securities dealer before recommending the purchase or sale of the Certificates in the secondary market. Consequently, such a failure may adversely affect the transferability and liquidity of the Certificates and their market price.

Pursuant to Arizona law the ability of the County to provide information pursuant to such covenants is subject to annual appropriation to cover the costs of preparing and mailing the Annual Reports and the Notices of Material Events to each Nationally Recognized Municipal Securities Information Repository and to any state information depository established by the State. Should the County not comply with such covenants due to a failure to appropriate, the County has covenanted to provide notice of such fact to each Nationally Recognized Municipal Securities Information Repository and to any state information depository established by the State. Absence of continuing disclosure due to non-appropriation could adversely affect the Certificates and specifically their market price and transferability.

The County has not previously entered in any similar undertaking.

GENERAL PURPOSE FINANCIAL STATEMENTS

The general purpose financial statements of the County, as of June 30, 2000 and for the fiscal year then ended, which are included as Appendix C of this Official Statement, have been audited by the Office of the Auditor General of the State of Arizona, as stated in their opinion which appears in Appendix C. The County neither requested nor obtained the consent of the Office of the Auditor General, State of Arizona, to include their report and the Auditor General, State of Arizona, had performed no procedures subsequent to rendering their opinion on the financial statements.

ADDITIONAL INFORMATION

Additional information and copies of this Official Statement, the Trust Agreement, and the Lease may be obtained from Maricopa County, Arizona, 301 West Jefferson, Office of the Chief Financial Officer, Phoenix, Arizona 85003.

CONCLUDING STATEMENT

To the extent that any statements made in this Official Statement involve matters of opinion or estimates, whether or not expressly stated to be such, they are made as such and not as representations of fact or certainty and no representation is made that any of these statements have been or will be realized. Information in this Official Statement has been derived from the records of the County and other sources and is believed by the County to be accurate and reliable. Information other than that obtained from official records of the County has not been independently confirmed or verified by the County and its accuracy is not guaranteed.

Neither this Official Statement nor any statements that may have been or that may be made orally or in writing are to be construed as a part of a contract with the original purchasers or subsequent owners of the Certificates.

This Official Statement has been prepared by the County and executed for and on behalf of the County by its Chief Financial Officer, as indicated below.

MARICOPA COUNTY, ARIZONA

By: /s/ Tom Manos
Tom Manos
Chief Financial Officer

APPENDIX A

MARICOPA COUNTY, ARIZONA

GENERAL ECONOMIC AND DEMOGRAPHIC INFORMATION

General

The County was named after the Maricopa Indian tribe and was formed as the fifth county of Arizona in 1871. The principal geographic features of the County consist of the expansive river valleys of the Salt and Gila Rivers and a number of rugged mountain ranges scattered throughout the County.

The County encompasses approximately 9,222 square miles, 98 square miles of which is water. Approximately 71% of the County's land is under federal, state or other governmental control with approximately 29% of the land being privately owned.

LAND OWNERSHIP
Maricopa County, Arizona

Control/Ownership	Approximate Percent of County
U.S. Forest Service	11%
U.S. Bureau of Land Management	28
Indian Reservation	5
State of Arizona	11
Individual or Corporate	29
Other Public Lands	16

Source: *Arizona County Profiles,* Arizona Department of Commerce, November 1999.

The heart of the County is the Salt River Valley, which runs approximately 40 miles east to west and 20 miles north to south. The Valley's level terrain is conducive to both agriculture and industry. Located within the County are the City of Phoenix, the State capitol, and the following cities: Avondale, Chandler, Glendale, Goodyear, Litchfield Park, Mesa, Peoria, Scottsdale, Tempe and Agua Fria; the towns of Buckeye, Carefree, Cave Creek, Fountain Hills, Gila Bend, Guadalupe, Gilbert, Paradise Valley, Queen Creek, Surprise, Wickenburg and Youngtown; and the unincorporated retirement communities of Sun City and Sun City West along with several smaller communities. Metropolitan Phoenix is the population center of Arizona with over 2.9 million residents, which is over 50% of the population of the State.

The following table illustrates respective population statistics for the State, the County and cities that principally comprise the greater metropolitan Phoenix area.

POPULATION STATISTICS

	State of Arizona	Maricopa County	City of Phoenix	City of Mesa	City of Glendale	City of Scottsdale	City of Tempe	City of Chandler
1999 Estimate*	4,924,350	2,913,475	1,240,775	374,570	208,095	204,660	161,995	169,000
1995 Special Census	4,228,900**	2,551,765	1,149,417	338,117	182,615	168,176	153,821	132,360
1990 Census	3,665,228	2,122,101	983,403	288,091	148,134	130,069	141,865	90,533
1985 Special Census	3,187,000	1,837,956	881,640	239,587	122,392	108,447	132,942	63,855
1980 Census	2,716,633	1,509,262	789,704	152,453	97,172	83,364	106,743	29,673
1970 Census	1,775,399	971,228	582,500	62,853	36,228	67,823	63,550	13,763

* Estimated population as of July 1, 1999.
** Estimated population as of July 1, 1995.

Source: Arizona Department of Economic Security, Population and Statistical Unit.

Economy

The County's economy is based on high technology manufacturing, light manufacturing and commercial activities (including construction and trade), tourism, government and agriculture.

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The following tables illustrate the employment structure in the County.

MARICOPA COUNTY AVERAGE WAGE AND SALARY EMPLOYMENT

	1996	1997	1998	1999	2000*
Manufacturing	149,400	155,700	165,500	167,400	162,300
Mining	800	1,100	1,200	900	1,100
Construction	86,400	94,200	97,800	113,000	115,000
Transportation, Communications And Public Utilities	61,300	68,300	73,500	78,800	82,800
Trade	316,300	336,200	347,700	359,200	366,500
Finance, Insurance and Real Estate	89,100	101,700	114,400	122,600	123,300
Services and Miscellaneous	377,200	421,900	450,800	457,000	514,800
Government	154,600	165,600	168,000	172,600	175,300
Total	1,235,100	1,344,700	1,418,900	1,471,500	$1,541,100

*Data is the County average through July 2000.

Source: *Arizona's Workforce*, a news release from the Arizona Department of Economic Security, Research Administration.

The following table illustrates the unemployment averages for the County, the State and the United States.

UNEMPLOYMENT AVERAGES

Year	Maricopa County	State of Arizona	United States
2000*	2.6%	3.8%	4.0%
1999	2.8	4.2	4.2
1998	2.6	4.0	4.5
1997	3.0	4.6	5.0
1996	3.6	5.5	5.4
1995	3.4	5.1	5.6

*Data through September 2000.

Source: State of Arizona Department of Economic Security, Bureau of Information and Research Analysis, Labor Force Statistical Unit.

Employers

A partial listing of major manufacturers within the County and the Phoenix Metropolitan area are given in the following table.

MAJOR MANUFACTURING EMPLOYERS
Maricopa County, Arizona

Manufacturer	Product	Approximate Employment
Motorola, Inc. (a)	Electronic manufacturing	15,700
Allied Signal Aerospace Co. (b)	Aerospace manufacturing	9,000
Intel Corporation	Semiconductor products	8,150
Honeywell, Inc. (b)	Airborne electronic systems	7,500
The Boeing Co. (c)	Aircraft manufacturing	5,300
Micro Age, Inc.	Technology products	3,550
Phelps Dodge Corp. (d)	Refined copper wire and cable	3,200
TRW	Automotive airbags	3,000
ON Semiconductor (a)	Semiconductor products	2,500
Phoenix Newspapers, Inc.	Newspaper publishing	2,300
Revlon	Cosmetics	1,800
Cable Systems International, Inc. (e)	Telecommunication products	1,700
Shamrock Foods Co.	Fresh and frozen dairy products	1,550
Ryobi Outdoor Products	Lawn care equipment	1,400
Continental Circuits Corporation	Multilayer circuit boards	1,300
PING Inc.	Golf equipment	1,300
Cavco Industries Inc.	Manufactured housing	1,200
Microchip Technology (f)	Microcontrollers and memory products	1,100
The Dial Corp.	Consumer products, food products	1,060
InteSys Technologies, Inc.	Electric batteries	1,000
Sunland Beef Co.	Meat packing and distributing	1,000

(a) Motorola, Inc. is starting a $90 million expansion of its Chandler plant, which will likely employ approximately 500 new workers. ON Semiconductor was created by a spin-off from Motorola in August of 1999. Approximately 2,500 Motorola employees went to ON Semiconductor in the transition according to the Motorola Department for Business Issues.

(b) Honeywell and Allied Signal have merged. The combined company is called Honeywell International and employs 120,000 people worldwide.

(c) Formerly known as McDonnell Douglas Corp.

(d) In October 1999, Phelps Dodge Corp. acquired Cypress Amax Minerals Co.

(e) Currently known as Belden Communications Division.

(f) Microchip Technology, Inc., may begin construction on a new facility in mid-2000, which will likely employ approximately 1,000 more workers.

Source: Elliot D. Pollack & Co. as reflected in *The 1999 Arizona Industrial Directory*, Phoenix Chamber of Commerce, The Books of Lists 2000, *The Business Journal, Arizona's Workforce*, Industry Update, a press release from the Arizona Department of Economic Security, Research Administration and an individual employer survey.

A partial list of major non-manufacturing employers is shown below.

MAYOR NON-MANUFACTURING EMPLOYERS
Maricopa County, Arizona

Employer	Type of Business	Approximate Number of Employees (a)
State of Arizona	Government	63,960
City of Phoenix	Government	13,300
Maricopa County	Government	12,960
Wal-Mart Stores, Inc.	Retail stores	11,900
U.S. Postal Service	Mail services	10,770
American Express Co.	Travel and financial services	9,000
Samaritan Health System	Health care	9,000
Banc One Corp.	Banking services	9,000
Mesa Public Schools	Education	8,690
Luke Air Force Base	Military	8,500 (b)
America West Holdings Corp.	Airline	8,445
Wells Fargo, Inc.	Banking services	8,300
Arizona State University	Education	8,100 (d)
Safeway Stores	Supermarkets	8,010
Fry's Food Stores of Arizona, Inc. (c)	Supermarkets	7,500
Bank America Corp.	Banking services	6,725
Pinnacle West Capital Corp.	Holding company	6,300 (e)
Tosco Marketing, Inc.	Convenience stores	5,275
U.S. West Communications, Inc.	Telecommunications	5,000

(a) Full-time equivalent employees.

(b) Luke Air Force Base (the "Base") is the home of the Air Education and Training Command's Operational Training Development Program and the 56th and the 944th Fighter Wings. The Base is the largest fighter pilot training base in the world, where pilots are trained to fly F-15 Eagles and F-16 Fighting Falcons. The Base employs approximately 6,500 military and 2,000 civilian personnel. As of September 30, 1999, the Luke Air Force Base Public Affairs Department estimates the number of secondary jobs created for an area within a 50-mile radius of the Base was 4,197. The total annual economic impact including Retiree Payroll ($860,832,000) over this area was estimated at more than $1.0 billion.

The Base has in the past been included on lists of bases considered for closure or realignment by the Defense Base Closure and realignment commission. The Base is not now subject to closure or realignment, but there can be no assurance that the Base will not be included on future lists of entities such as such Commission. Any such closure or realignment would probably be subject to review and approval by, among others, the Department of Defense and the President of the United States and would have a negative but unquantifiable effect on the County.

(c) Plus 6,540 student part-time employees.

(d) Now owned by Kroger Co.

(e) Includes Arizona Public Service (APS) employees.

Source: *The Books of Lists 2000,* The Business Journal and an individual employer survey.

Construction

The following charts illustrate a building permit summary for residential and non-residential construction and new housing starts for the County.

VALUE OF BUILDING PERMITS
Maricopa County, Arizona
($000's omitted)

Year	Residential	Commercial	Industrial	Other	Total
2000*	$1,355,845	$ 534,495	$ 54,802	$ 548,921	$2,494,063
1999	5,142,869	1,878,629	210,676	1,092,337	8,324,511
1998	4,778,571	2,230,445	378,141	1,101,269	8,488,426
1997	3,903,540	1,840,324	233,598	1,133,849	7,111,311
1996	3,507,925	1,418,579	788,083	1,078,946	6,793,533

*Data through June 30, 2000.

Source: *Arizona Business,* Arizona State University Bureau of Business and Economic Research. Note that the Bureau obtains its data from county and municipal divisions which issue such permits. Construction is valued on the basis of estimated costs, not on market price or value of construction at the time the permit is issued. The date on which the permit is issued is not to be construed as the date of construction.

NEW HOUSING STARTS
Maricopa County, Arizona

Year	Total New Housing Units
2000*	12,011
1999	47,406
1998	47,801
1997	42,568
1996	39,626

*Data through June 30, 2000.

Source: *Arizona Business,* Arizona State University Bureau of Business and Economic Research. Note that the Bureau obtains its data from county and municipal divisions which issue such permits. The date on which the permit is issued is not to be construed as the date of construction.

Growing Smarter. During 1998, the Arizona Legislature promulgated the Growing Smarter Act of 1998 ("Growing Smarter") which created new planning requirements throughout the State and provided stronger tools for local govenrments in their efforts to mange rapid development. Growing Smarter also created the "Growing Smarter Commission" which conducted hearings throughout the State on ways to enhance the law and to address certain other issues. During 2000, the Arizona Legislature adopted additional legislation known as "Growing Smarter Plus" which significantly expands Growing Smarter particularly the planning requirements passed in 1998. Fast-growing communities must now plan for growth areas and identify the means to provide necessary public services in the future. In addition to environmental and infrastructure elements, an analysis of available water is now required. To pay for growth, communities are permitted to establish service area limits, beyond which new growth pays the full cost for services. Growing Smarter allowed citizens to refer general plans passed by local govenrment to the ballot for voter approval. Growing Smarter Plus goes a step farther by requiring fast growing and large cities and Pima and Maricopa Counties to submit their general plans to the voters for ratification. Every 10 years, voters will have the final say over general planning in their communities. It is unclear at this time how Growing Smarter and Growing Smarter Plus will affect development activity in the State and particularly the County in the future.

The following chart illustrates the number of new and resale homes that have been sold in each calendar year and the median price of these homes.

NUMBER OF HOME SALES AND MEDIAN PRICE
Maricopa County, Arizona

Year	Number of Home Sales	Median Price
2000*	58,506	$130,000
1999	98,730	124,900
1998	94,160	117,000
1997	82,130	111,225
1996	62,250	106,000
1995	66,970	99,575

* As of August 2000.

Source: Various editions of *Arizona Business*, Center for Business Research, College of Business, Arizona State University.

Agriculture

The County is presently the leading producer of agricultural and livestock products in Arizona in terms of both total producing acreage and total clash receipts from agricultural marketings. The County is the largest producer of livestock, cotton, wheat, alfalfa and potatoes in the State, and the second leading producer of citrus products and vegetables.

CASH RECEIPTS FROM AGRICULTURAL MARKETING
Total Crops and Livestock
Maricopa County, Arizona
($000's omitted)

Year	Cash Receipts
1998	$835,808
1997	772,375
1996	793,403
1995	712,003

Source: *1999 Arizona Agricultural Statistics,* Arizona Crop and Livestock Reporting Service, July 2000.

Service/Tourism

Service is one of the main employment sectors in the County. Nearly one-third of all the County businesses provide a service, and the service payroll is second only to manufacturing. The tourism industry contributes strongly to service employment. Most of this money is spent in the County with a majority of dollars being spent for food, lodging and gasoline. The County has developed into a major tourism center. Excellent tourist accommodations, diverse cultural activities and a favorable climate attract millions of visitors to the area annually. The County's proximity to many of Arizona's scenic attractions, Phoenix convention facilities, Nevada, California and Mexico make it a natural tourism center for the entire Southwest. The following table illustrates taxable lodging sales for the County.

TAXABLE LODGING SALES
Maricopa County, Arizona
($000's omitted)

Year	Amount
2000*	$ 762,254
1999	1,027,907
1998	1,013,242
1997	955,462
1996	883,743
1995	749,193

* Data through July 2000.

Source: Arizona Department of Revenue, Econometrics.
Below is a partial list of the larger hotels and resorts, based on number of units.

HOTELS AND RESORTS
Maricopa County

Hotel/Motel Name	Number of Units	Approximate Number of Employees*	Year Opened
The Arizona Biltmore and Villas	730	850	1929
Hyatt Regency Phoenix	712	450	1976
The Phoenician	654	1,500	1988
Scottsdale Princess	650	1,400	1987
The Pointe Hilton Resort on South Mountain	638	850	1986
The Pointe Hilton Resort at Tapatio Cliffs	584	500	1982
The Pointe Hilton Resort at Squaw Peak	564	540	1977
Crown Plaza Phoenix	532	250	1975
Hyatt Regency Scottsdale	493	900	1986
Marriott's Camelback Inn Resort	453	900	1936

* Number of full-time equivalent employees.

Source: *The Book of Lists 2000, The Business Journal* serving Phoenix and the Valley of the Sun, December 1999.

Trade

The retail trade sector is growing in importance. It is anticipated that approximately 20% of the new jobs created by the year 2000 will be in the trade sector. When taken together, wholesale and retail trade represent the largest employment sector in the County, and this sector should remain the County's leading employment category well past the year 2000. The following table illustrates taxable retail sales for the County over the last five calendar years.

TAXABLE RETAIL SALES
Maricopa County, Arizona
($000's omitted)

Year	Retail Sales*
2000**	$15,470,938
1999	23,704,580
1998	21,504,574
1997	19,900,822
1996	18,547,512
1995	17,060,486

* The definition of "Retail Sales" is the business of selling tangible personal property at retail. Therefore, this class of transaction does not include hotels, restaurants or food sales, which are in separate classes, and all services which are not taxable.

** Data through July 2000.

Source: Arizona Department of Revenue.

Bank Deposits

The following table illustrates bank deposits for the County.

BANK DEPOSITS
Maricopa County, Arizona
(000's omitted)

As of December 31	Amount
2000*	$26,490,225
1999	24,655,777
1998	24,940,253
1997	20,296,620
1996	17,806,183
1995	21,171,950

*As of June 30, 2000.

Source: Arizona Banker's Association.

Transportation

The County has 25 airports, ranging in size from small strips for private planes to important centers for high-performance jets and commercial airlines. Sky Harbor International Airport, the only commercial passenger airport in the County, provides central Arizona with a high level of commercial air passenger service. The tables below illustrate the airlines serving Sky Harbor International Airport and the number of passengers arriving and departing, respectively.

AIRLINES SERVING SKY HARBOR INTERNATIONAL AIRPORT

Major Airlines		Commuter Airlines	Major Freight Carriers
Aeromexico Airlines	Continental Airlines	America West Express	Airborne Express
Air Canada Airlines	Delta Airlines	Express Air	Burlington Air Freight
Air Jamaica	Northwest/KLM Airlines	Frontier Airlines	Federal Express
Alaska Airlines	Southwest Airlines	Midwest Express	United Parcel Service
America West Airlines	Trans World Airlines	Scenic Airlines	United States Postal Service
American Airlines	United/Lufthansa Airlines	Sky West (Delta)	
American Trans Air	US Airways	Shuttle by UA	
British Airways		Sun Country	

Source: The City of Phoenix Aviation Department, May 2000.

NUMBER OF PASSENGERS ARRIVING AND DEPARTING

SKY HARBOR INTERNATIONAL AIRPORT

Year	Arrivals	Departures	Total
2000*	10,499,074	10,833,917	21,332,991
1999	17,046,727	16,507,680	33,554,407
1998	15,784,493	15,984,620	31,769,113
1997	15,254,190	15,404,953	30,659,143
1996	15,215,724	15,196,128	30,411,852
1995	13,961,059	13,895,136	27,856,195

*Data through July 2000.

Source: The City of Phoenix Aviation Department, January 2000.

A main line of the Union Pacific Railroad and a branch line of the Atchison, Topeka and Santa Fe Railroad serve the County. In addition, fifty transcontinental trucking companies serve the County, along with two transcontinental bus lines. The County has approximately 3,156 miles of roadway of which approximately 1,907 miles are paved. The County is also traversed by Interstate 10, the transcontinental all-weather route through the southern United States; U.S. Highways 60 and 89; and Interstate 17, the express route from Phoenix to northern Arizona.

MARICOPA COUNTY, ARIZONA

FINANCIAL DATA

Maricopa County, Arizona
Current Year Statistics (For Fiscal Year 2000/01)

Total General Obligation Bonded Debt	$79,595,000 (a)
Primary Assessed Valuation	$19,362,298,255 (b)
Secondary Assessed Valuation	$20,877,715,546 (b)
Estimated Full Cash Value	$160,906,987,089 (c)

(a) Excludes bonds which have been refunded.

(b) Arizona property taxes are divided into two categories, primary and secondary. Secondary property taxes are those taxes and assessments imposed to pay principal and interest on bonded indebtedness, those imposed for certain special districts and those imposed to exceed a budget, expenditure or tax limitation pursuant to voter approval. Primary property taxes are all ad valorem taxes other than secondary property taxes. Annual increases in the valuation of certain types of property for primary property tax purposes and the amount of primary property taxes which may be levied in any year are subject to certain limitations. These limitations do not apply with respect to secondary property taxes.

(c) Estimated full cash value is the total market value of the property within the County as estimated by the Arizona Department of Revenue, Division of Property and Special Taxes less the estimated exempt property within the County.

STATEMENTS OF BONDED INDEBTEDNESS

Direct General Obligation Bonded Debt Outstanding
Maricopa County, Arizona

Issue Series	Purpose	Original Amount	Maturity Dates	Balance Outstanding
1992	Refunding	$68,500,000	7-1-92/03	$ 1,625,000
1992 2nd Series	Refunding	67,500,000	7-1-94/03	49,450,000
1993D	New Money	25,575,000	7-1-99/04	23,000,000
1994A	Refunding	9,220,000	7-1-96/02	1,835,000
1995	Refunding	17,320,000	7-1-96/02	3,685,000
Total Direct General Obligation Bonds Outstanding				**$79,595,000**

Secondary Assessed Valuation by Property Classification
Maricopa County, Arizona

A comparison of secondary assessed valuation by property classification of the County for the five most recent fiscal years is as follows:

Class	2000/01 Secondary Assessed Valuation	1999/00 Secondary Assessed Valuation	1998/99 Secondary Assessed Valuation	1997/98 Secondary Assessed Valuation	1996/97 Secondary Assessed Valuation
1. Mining and Timber	$9,181,006,814	$ 418,107	$ 441,532	$ 456,840	$ 512,400
2. Utilities	1,344,984,991	1,796,634,969	1,887,755,306	1,958,935,536	2,077,197,060
3. Commercial and Industrial	8,795,368,765	6,846,156,609	5,795,628,225	5,238,921,448	4,893,976,205
4. Agricultural and Vacant	1,461,023,090	1,215,367,479	1,064,055,406	942,484,168	905,666,695
5. Residential (not for Profit)	25,344,788	7,613,437,892	6,894,513,642	6,526,551,454	5,507,916,713
6. Residential (rental)	67,814,652	1,368,792,161	1,105,479,286	1,006,871,433	922,124,574
7. Railroad	1,603,994	24,789,306	26,420,271	27,652,226	21,351,386
8. Technology	557,087	44,924,655	36,815,904	20,336,453	12,882,109
9. Livestock, poultry, aquatic animals And bees	9,365	1,626,161	1,319,757	765,075	925,658
10. Historic Property	0	64,458	39,768	35,062	23,041
11. Government Land Improvements	0	14,670	548,164	425,353	581,020
	$20,877,715,546	**$18,912,226,467**	**$16,813,017,261**	**$15,723,435,068**	**$14,343,156,861**

Source: *State and County Abstract of the Assessment Role*, State of Arizona, Department of Revenue and the Maricopa County, Arizona, Finance Department.

Direct Bonded Debt, Legal Limitation and Unused Borrowing Capacity
Maricopa County, Arizona

2000/01 Arizona Constitutional Limitation (15% of Secondary Assessed Valuation)	$3,131,657,331
Direct General Obligation Bonded Debt	(79,595,000)
Unused Fifteen Percent Borrowing Capacity	$3,052,062,331

Direct and Overlapping General Obligation Bonded Debt

Overlapping Jurisdiction	General Obligation Bonded Debt (b)	Proportion Applicable to Maricopa County (a) Approximate Percent	Net Debt Amount
State of Arizona	None	16.09%	None
Maricopa County Community College District (c)	$301,210,000	100.00%	$ 301,210,000
Maricopa County Library District	None	100.00%	None
Maricopa County Fire District	None	100.00%	None
Maricopa County Flood Control District	None	100.00%	None
Central Arizona Water Conservation District	None	100.00%	None
Elementary School Districts	646,676,000	100.00%	646,676,000
High School Districts	589,560,000	100.00%	589,560,000
Unified School Districts	1,599,669,000	100.00%	1,599,669,000
East Valley Institute of Technology District No. 1	27,765,000	97.99%	27,206,923
Cities and Towns (d)	1,864,472,000	100.00%	1,864,472,000
Maricopa County (e)	79,595,000	100.00%	79,595,000
Total Direct and Overlapping General Obligation Bonded Debt	**$5,108,947,000**		**$4,807,178,924**

(a) Proportion applicable to the County as computed on the ratio of secondary assessed valuation.

(b) Includes total general obligation bonds outstanding less redemption and mandatory sinking funds on hand. Does not include presently authorized but unissued general obligation bonds of such jurisdictions which may be issued in the future:

Authorized but Unissued

The following table lists general obligation bonds presently authorized but unissued for municipal jurisdictions within the County.

Municipal Jurisdiction	General Obligation Bonds
Maricopa County	None
Maricopa County Community College District	$52,549,000
Maricopa County Hospital District No. 1	None
Peoria Unified School District No. 11	10,000,000
Gilbert Unified School District No. 41	20,000,000
Paradise Valley Unified School District No. 69	82,135,000
Litchfield Elementary School District No. 79	10,000,000
Cave Creek Unified School District No. 93	4,715,000
Fountain Hills Unified School District No. 98	8,000,000
City of Avondale	13,870,000
City of Chandler	44,275,000
City of Glendale	464,616,000
Town of Gilbert	30,025,000
Town of Goodyear	54,340,000
Town of Surprise	None
City of Mesa	435,218,000
City of Peoria	34,547,234
City of Phoenix	16,292,000
City of Scottsdale	140,400,000
City of Tempe	57,965,000

Does not include the obligation of the Central Arizona Water Conservation District ("CAWCD") to the United States of America, Department of Interior, for the repayment of capital costs for construction of the Central Arizona Project ("CAP"), a major reclamation project by the U.S. Department of the Interior. The obligation is evidenced by a master contract between the CAWCD and the United States Department of the Interior. The United States and CAWCD recently announced an agreement to settle litigation over the amount of the construction cost repayment obligation, the amount of the respective obligations for payment of the operation, maintenance and replacement costs and the application of certain revenues and credits for amounts paid by CAWCD to the United States against such obligations and costs. Under the agreement, CAWCD's obligation for substantially all of the CAP features that have been constructed so far will be set at $1.65 billion, which amount assumes (but does not mandate) that the United States will acquire a total of 665,224 acre feet of CAP water for federal purposes. The United States will complete unfinished CAP construction work related to the water supply system and regulatory storage stages of CAP at no additional cost to CAWCD. Of the $1.65 billion repayment obligation, 73% will be interest bearing and the remaining 27% will be non-interest bearing. These percentages will be fixed for the entire 50 year repayment period, which commenced October 1, 1993. Effectiveness of the agreement is subject to a number of conditions including settlement of certain Indian community water claims and other water claims and will require certain State of Arizona and Federal legislation. If the conditions are not met within three years, the parties could extend such deadline or the agreement will terminate and either party may petition U.S. District Court to resume litigation. It is not possible to predict whether the agreement will be effective or if the litigation will be resumed or the outcome of any such litigation. The CAWCD is a water conservation district having boundaries coterminous with the external boundaries of Maricopa, Maricopa and Pinal Counties. It was formed for the express purpose of paying administrative costs and expenses of the CAWCD and to assist in the repayment to the United States of the Central Arizona Project capital costs. Repayment is being made from a combination of power revenues, subcontract revenues (i.e., agreements with municipal, industrial and agricultural water users for delivery of CAP water) and a tax levy against all taxable property within the CAWCD. At the date of this Official Statement, the tax levy is limited to fourteen cents per $100 of secondary assessed valuation (see Arizona Revised Statutes, Section 48-3715). There can be no assurance that such levy limit will not be increased or decreased or removed at any time during the life of the contract.

(c) Does not include Maricopa County Community College District revenue bonds outstanding in the amount of $14,375,000.

(d) Does not include $875,116,342 outstanding principal amount of self-supporting general obligation bonds issued by various cities and towns within the County's boundaries which are presently being paid from revenues derived from the usage of the facilities. Should the revenues of the operation of the systems prove to be insufficient to pay the indebtedness or should the cities or towns elect to change its payment policy on its revenue supported general obligation bonds this debt would and must be paid from ad valorem taxes.

Also does not include the outstanding principal amount of various cities and towns improvement districts' special assessment bonds paid from special assessments levied against property owners residing within the various improvement districts. The improvement district bonds are secondarily guaranteed by statutory obligations of the respective city or town.

(e) Does not include $57,165,000 outstanding principal amount of various County improvement districts' special assessment bonds paid from special assessments levied against property owners residing within the various improvement districts. The County has no secondary guaranty obligations with respect to such improvement district bonds.

Overlapping General Obligation Bonded Debt, Net Assessed Valuations and Tax Rates
Maricopa County

Overlapping Jurisdiction	2000/01 Net Secondary Assessed Valuation	2000/01 Net Primary Assessed Valuation	Net General Obligation Bonded Debt Outstanding	2000/01 Combined Secondary and Primary Tax Rates Per $100 A.V.
Elementary School Districts				
Phoenix No. 1	$ 572,457,624	$ 530,370,908	$ 70,985,000	$7.1565
Riverside No. 2	175,552,638	168,236,177	None	0.8867
Tempe No. 3	1,117,378,469	1,030,936,735	75,850,000	4.4169
Isaac No. 5	137,722,170	127,860,147	4,605,000	7.4199
Washington No. 6	1,096,748,338	1,026,788,326	122,780,000	4.4611
Wilson No. 7	123,097,174	118,279,668	11,955,000	7.4956
Osborn No. 8	417,241,866	375,749,064	34,340,000	3.6077
Creighton No. 14	277,877,658	253,773,647	26,870,000	5.3765
Tolleson No. 17	50,978,034	48,843,584	4,554,000	6.3306
Murphy No. 21	83,269,413	78,599,713	9,000,000	5.2707
Liberty No. 25	49,724,303	43,387,719	3,500,000	4.3319
Kyrene No. 28	1,291,198,848	1,206,721,757	57,730,000	4.6857
Balsz No. 31	252,437,386	228,476,099	22,060,000	4.5126
Buckeye No. 33	40,810,757	38,208,509	2,895,000	4.1772
Madison No. 38	704,231,002	632,276,543	53,045,000	3.6709
Glendale No. 40	248,252,630	230,456,009	25,740,000	7.1915
Avondale No. 44	99,715,222	91,829,754	6,820,000	4.5052
Fowler No. 45	75,640,358	70,184,728	9,515,000	4.9941
Arlington No. 47	31,239,986	29,977,225	None	2.4568
Palo Verde No. 49	14,978,432	13,555,837	None	4.4027
Laveen No. 59	34,899,217	31,436,666	3,985,000	4.3219
Higley No. 60	31,255,673	27,308,729	None	7.0784
Union No. 62	4,135,008	4,050,526	None	2.2642
Aguila No. 63	6,902,310	5,975,992	None	3.1144
Littleton No. 65	52,711,638	49,639,522	4,187,000	4.1117
Roosevelt No. 66	302,833,236	275,441,640	32,565,000	8.1470
Alhambra No. 68	318,516,723	293,594,140	35,885,000	6.5222
Sentinel No. 71	9,368,398	9,265,868	None	5.5795
Morristown No. 75	10,084,947	7,836,893	None	5.7409
Litchfield No. 79	147,404,336	137,175,145	16,540,000	5.1288
Nadaburg No. 81	24,749,281	22,289,462	1,465,000	7.7820
Cartwright No. 83	236,358,508	219,209,151	None	8.2456
Mobile No. 86	5,196,754	5,007,497	None	7.6780
Ruth Fisher No. 90	1,089,307,571	1,085,844,062	1,439,000	0.3539
Pendergast No. 92	141,441,054	136,724,702	8,370,000	7.4088
Paloma No. 94	3,708,560	3,649,679	None	7.9715
Total Overlapping General Obligation Bonded Debt			**$646,680,000**	

Overlapping Jurisdiction	2000/01 Net Secondary Assessed Valuation	2000/01 Net Primary Assessed Valuation	Net General Obligation Bonded Debt Outstanding	2000/01 Combined Secondary and Primary Tax Rates Per $100 A.V.
High School Districts				
Buckeye Union No. 201	$136,753,478	$125,129,290	None	$2.8425
Glendale Union No. 205	1,345,000,968	1,257,244,335	75,745,000	3.5618
Phoenix Union No. 210	3,636,494,615	3,333,303,563	218,145,000	4.6018
Tempe Union No. 213	2,408,577,317	2,237,658,492	230,010,000	3.3139
Tolleson Union No. 214	324,906,092	309,443,062	36,250,000	4.4672
Agua Fria Union No. 216	247,119,558	229,004,899	29,410,000	5.1889
Total Overlapping General Obligation Bonded Debt			**$589,560,000**	

Overlapping Jurisdiction	2000/01 Net Secondary Assessed Valuation	2000/01 Net Primary Assessed Valuation	Net General Obligation Bonded Debt Outstanding	2000/01 Combined Secondary and Primary Tax Rates Per $100 A.V.
Unified School Districts				
Mesa No. 4	$2,051,301,721	$1,921,383,034	$274,590,000	$7.5543
Wickenburg No. 9	73,325,188	65,444,810	13,350,000	6.5626
Peoria No. 11	780,984,797	739,775,489	178,194,000	9.4925
Gila Bend No. 24	10,943,378	10,433,966	None	5.3163
Gilbert No. 41	763,100,466	709,398,827	77,010,000	8.9680
Scottsdale No. 48	2,708,919,498	2,459,858,211	312,750,000	5.4555
Paradise Valley No. 69	1,614,097,876	1,509,127,804	311,520,000	7.5225
Chandler No. 80	807,764,845	763,436,057	133,630,000	7.9562
Dysart No. 89	264,838,444	244,041,316	7,840,000	6.1448
Cave Creek No. 93	653,557,499	536,901,850	65,335,000	5.7566
Queen Creek No. 95	55,925,365	50,636,555	13,380,000	9.2768
Deer Valley No. 97	946,930,080	885,569,266	183,500,000	8.0559
Fountain Hills No. 98	214,037,354	191,579,669	28,570,000	6.2903
Total Overlapping General Obligation Bonded Debt			**$1,599,669,000**	

Overlapping Jurisdiction	2000/01 Net Secondary Assessed Valuation	2000/01 Net Primary Assessed Valuation	Net General Obligation Bonded Debt Outstanding	2000/01 Combined Secondary and Primary Tax Rates Per $100 A.V.
Cities and Towns				
Avondale	$ 104,336,139	$ 97,804,983	$ 9,405,000	$1.2783
Buckeye	33,175,256	31,220,433	1,430,000	1.5551
Carefree	79,934,552	70,585,852	None	0.0000
Cave Creek	58,833,559	47,596,828	None	0.0000
Chandler	1,099,452,357	1,037,292,379	84,855,000	1.3000
El Mirage	22,323,925	19,186,750	None	0.0000
Fountain Hills	212,415,476	190,102,361	7,505,000	0.3331
Gila Bend	5,717,846	5,371,345	None	1.6416
Gilbert	593,732,571	554,316,091	31,840,000	1.2500
Glendale	876,902,521	829,707,564	64,690,000	1.7200
Goodyear	136,557,331	124,823,974	13,300,000	2.0816
Guadalupe	8,527,764	7,721,903	None	0.0000
Litchfield Park	35,572,376	33,133,204	None	0.0000
Mesa	1,919,915,826	1,796,085,424	198,080,000	0.0000
Paradise Valley	396,333,423	334,711,566	None	0.0000
Peoria	516,676,367	487,868,164	39,420,000	1.6274
Phoenix	7,573,211,016	7,024,054,018	1,024,987,000	1.8200
Queen Creek	22,428,459	19,266,571	None	0.0000
Scottsdale	2,877,733,056	2,581,458,702	253,120,000	1.1866
Surprise	176;094,650	160,045,259	None	0.8510
Tempe	1,356,429,397	1,258,271,537	126,765,000	1.3500
Tolleson	76,249,427	73,143,542	9,095,000	2.0598
Wickenburg	31,509,563	28,098,899	None	0.7118
Youngtown	15,002,914	14,297,512	None	0.0000
Total Overlapping General Obligation Bonded Debt			**$1,864,492,000**	

*Excludes revenue supported general obligation bonds.

Direct and Overlapping General Obligation Debt Ratios
Maricopa County, Arizona

	Per Capita Bonded Debt Population Estimated @ 2,913,475 (a)	As Percentage of County's Net Secondary Assessed Valuation ($20,877,715,546)	As Percentage of County's Estimated Full Cash Value ($160,906,987,089)
Direct General Obligation Bonded Debt Outstanding ($79,595,000)	$27.32	3.81%	0.05%
Direct and Overlapping General Obligation Bonded Debt Outstanding ($5,108,947,000)	$1,753.56	24.47%	3.18%

(a) The population data was obtained from the Arizona Department of Economic Security.

Other Indebtedness

Certificates of Participation

Issue Series	Original Amount	Maturity Dates	Balance Outstanding
Series 1993	$ 3,850,000	6-1-94/08	$ 1,300,000.00
Series 1994	30,000,000	6-1-95/04	14,285,000.00
Series 1996	2,500,000	6-1-97/11	2,003,380.53
Series 2000	5,300,000	7-1-01/10	5,300,000.00
Total Certificates of Participation Outstanding			**$22,888,380.53**

As of June 30, 2000, the County had the following leases in effect:

Operating Leases – The County's operating leases are for office equipment, land and buildings. Rental expenses under the terms of these operating leases were $14,917,844 for the year ended June 30, 2000. These operating leases have remaining lease terms from one to twelve years. Also, they provide renewal options and are contingent on budgetary appropriations each fiscal year. The future minimum rental payments required under these operating leases as of June 30, 2000, are as follows:

Year	General	Special Revenue	Enterprise	Total
2000-01	$ 8,445,901	$ 1,874,970	$ 1,466,733	$11,787,604
2001-02	6,757,636	1,290,801	1,399,035	9,447,472
2002-03	5,986,655	747,176	818,623	7,552,454
2003-04	4,705,276	723,719	168,744	5,597,739
2004-05	3,104,486	247,517	150,101	3,502,104
Thereafter	7,402,355	235,061	0	7,637,416
Total minimum payments required	**$36,402,309**	**$5,119,244**	**$4,003,236**	**$45,524,789**

Capital Leases – The County has entered into various lease-purchase agreements, which are noncancellable, for the acquisitions of the following equipment:

	Enterprise	General Fixed Assets Account Group
Computer Systems and Equipment		$ 8,094,090
Data Communications Equipment		235,464
Medical Equipment	$ 2,361,799	112,336
Modular Buildings and Improvements		3,905,953
Optical Scan Counter		4,212,000
Radio System		9,490,995
Sheriff's Helicopters		4,064,699
Telephone Systems		294,092
Total Fixed Assets	2,361,799	28,860,972
Accumulated Depreciation	(1,704,656)	
Net Value of Leased Fixed Assets	**$ 657,143**	**$30,409,629**

These lease purchase agreements require the County to pay all maintenance costs. At the time of the final principal and interest payments, title to the leased equipment transfers to the County. These leases are contingent on budgetary appropriations each fiscal year. The assets are capitalized at a total principal cost.

The following is a schedule of future minimum lease payments for the above-described capital leases:

Year	Enterprise	General Long-Term Debt Account Group
2000-01	$400,278	$ 4,880,881
2001-02	232,792	3,498,992
2002-03	0	3,014,194
2003-04	0	2,546,944
2004-05	0	2,485,438
Thereafter	0	4,909,009
Total minimum lease payments	633,070	21,335,458
Amount representing interest	(24,276)	(3,213,947)
Present value of net minimum lease payments	**$608,794**	**$18,121,511**

PROPERTY TAXES

General

The State has two valuation bases for levying ad valorem property taxes. They are "limited property" and "full cash" values. Property valuations are established on most property by the individual county assessors, with the State Department of Revenue determining the valuations of centrally assessed properties such as gas, water and electric utilities, pipelines, mines, local and long distance telephone companies and airline flight property.

Full cash value is statutorily defined to mean "that value determined as described by statute" or if no statutory method is prescribed it is "synonymous with market value". "Market value" means that estimate of value that is derived annually by use of standard appraisal methods and techniques, which generally include the market approach, the cost approach and the income approach. As a general matter, the various county assessors use a cost approach for commercial/industrial property and a sales data approach for residential property. Arizona law allows taxpayers to appeal the county assessor's valuations by providing evidence of a lower value which may be based on another valuation approach.

Additionally, all property, both real and personal, is assigned a classification to determine its assessed valuation for tax purposes. Each legal classification is defined by property use and has an assessment ratio (a percentage factor) that is multiplied by the limited or full cash values of the property to obtain the assessed valuations.

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The assessment ratios utilized over the five-year period, 1996-2000 tax years, for each class are set forth below:

PROPERTY TAX ASSESSMENT RATIOS
1996 THROUGH 2000

	Property Classification (1)						
Tax Years	Mines (2)	Utilities (2)	Railroads, Private Car, And Airline Flight Property (3)	Commercial and Industrial (4)	Owner Occupied Residential	Leased or Rented Residential	Agriculture And Vacant Land (4)
1996	28	28	24	25	10	10	16
1997	27	27	23	25	10	10	16
1998	26	26	23	25	10	10	16
1999	25	25	23	25	10	10	16
2000	25	25	25	16	10	10	16

(1) Several additional classes of property exist, but seldom amount to a significant portion of an entity's total valuation. These classes consist of historic property; aerospace manufacturing property in a military reuse zone; certain manufacturing property in an enterprise zone; property in a foreign trade zone; (beginning in 1994-95) environmental technology property for the first 20 years from the date placed in service; producing oil, gas and geothermal resource interests; and leasehold or other possessory interest in certain public property.

(2) The assessed valuation percentages for mining and utility properties were reduced to 25% in 1999. For tax year 2000, mining and utility properties are included in the same class as commercial and industrial properties.

(3) The percentage is calculated annually based on the ratio of (i) the total assessed valuation of all mining, utility, commercial, industrial and military reuse zone properties, agricultural personal property and certain leasehold personal property to (ii) the total full cash value of such properties.

(4) The first $51,831 of full cash value on commercial, industrial and agricultural personal property is exempt from taxation and is indexed annually for inflation. Any portion of the full cash value in excess of these amounts will be assessed at 25% or 16% as applicable.

Primary Taxes

Taxes levied against the assessed limited property value (after application of assessment ratio) are referred to as primary taxes, which are used for the maintenance and operation of counties, cities/towns, school districts, community college districts and the State. Limited property value cannot exceed the full cash value and is derived statutorily using one of the following two procedures:

(1) The limited property value for parcels in existence in the prior year that did not undergo modification through construction, destruction, split or change in use, are established at the previous year's limited property value increased by the greater of either 10% of last year's limited property value or 25% of the difference between last year's limited property value and the current year's full cash value.

(2) The limited property value for parcels that underwent modification through construction, destruction or change in use, and for new parcels is established by applying a ratio of the full cash to limited property values of existing properties of the same use or legal classification.

The aggregate of the primary taxes levied by a county, city, town and community college district is constitutionally limited to a maximum increase of 2% over the maximum allowable prior year's levy limit plus any taxes on property not subject to tax in the preceding year (e.g., new construction and property brought into the jurisdiction because of annexation). The 2% limitation does not apply to primary taxes levied on behalf of school districts. The limited and full cash values of personal property (other than mobile homes) and of utility, mining and producing oil, gas and geothermal property are the same. Primary taxes on residential property only are constitutionally limited to 1% of the full cash value of such property.

To offset the effects of the primary system limitation of tax levies on residential property to 1% of the primary full cash value, a tax equalization program was instituted, whereby the State will provide funds to qualifying local school districts in an amount up to 35% of the district's primary tax levy requirement as applied to residential property, not to exceed $500 per individual residential property. These funds are derived from appropriations from the State General Fund. This program also requires the counties to levy a tax of $0.53 per $100 of assessed value under the primary system to supplement the State equalization funds provided to local school districts in the county. In addition, if the State's equalization contribution does not reduce the aggregate tax levy on residential properties in the district for primary purposes to 1% of the primary full cash value, the State will contribute additional funds to the extent necessary for this purpose.

Secondary Taxes

Taxes levied against the assessed full cash value (after application of the assessment ratio) are referred to as secondary taxes, which are used for debt retirement (i.e., debt service on bonds), voter-approved budget overrides and the maintenance and operation of special service districts such as sanitary, fire and road improvement districts. There is no limitation on the annual increases in full cash value of any property, and annual levies for voter-approved bonded indebtedness and special district assessments are unlimited.

Tax Procedures

The Board of Supervisors of the County prepares the tax roll that sets forth the valuation by taxing district of all property in the County subject to taxation. This tax roll also shows the valuation and classification of each parcel of land located within the County for the tax year. The tax roll is then forwarded to the Treasurer of the County.

With the various budgetary procedures having been completed by the governmental entities, the appropriate tax rate for each jurisdiction is then applied to the parcel of property in order to determine the total tax owed by each property owner.

Beginning with the 1997 tax year, county assessors were given more time to value property. In addition, the Board of Supervisors of the County prepare and adopt the final tax roll showing the valuation and classification of each parcel of land located within the County no later than December 31 of each year for use in setting tax levy rates in the next fiscal year. For tax years 1995 and 1996 assessors used a transitional system of valuation and appeal.

Delinquent Tax Procedures

The property taxes due the City are billed along with State, County and other taxes, in September of the calendar tax year and are payable in two installments, October 1 and March 1 and become delinquent on November 1 and May 1. Delinquent taxes are subject to an interest penalty of 16% per annum prorated monthly as of the first day of the month. (However, a law that became effective July 19, 1996, waives delinquent interest if a taxpayer, delinquent as to the November 1 payment, pays the entire year's tax bill by December 31.) After the close of the tax collection period, the Treasurer of the County prepares a delinquent property tax list and the property so listed is subject to a tax lien sale in February of the succeeding year. In the event that there is no purchaser for the tax lien at the sale, the title to such property is vested in the State, and the property is reoffered for sale from time to time until such time as it is sold, subject to redemption, for an amount sufficient to cover all delinquent and current taxes.

After three years from the sale of the tax lien, the tax lien certificate holder may bring an action in a court of competent jurisdiction to foreclose the right of redemption and, if the delinquent taxes plus accrued interest are not paid by the owner of record or any entity having a right to redeem, a judgment is entered ordering the Treasurer of the County to deliver a Treasurer's Deed to the certificate holder as prescribed by law.

It should be noted that in the event of bankruptcy of a taxpayer pursuant to the United States Bankruptcy Code (the "Bankruptcy Code"), the law is currently unsettled as to whether a lien can attach against the taxpayer's property for property taxes levied during the pendency of bankruptcy. Such taxes might constitute an unsecured and possibly noninterest bearing administrative expense payable only to the extent that the secured creditors of a taxpayer are oversecured and then possibly only on the prorated basis with other allowed administrative claims. It cannot be determined, therefore, what adverse impact bankruptcy might have on the ability to collect ad valorem taxes on property of a taxpayer within the City. Proceeds to pay such taxes come only from the taxpayer or from a sale of the tax lien on delinquent property.

When a debtor files or is forced into bankruptcy, any act to obtain possession of the debtor's estate, any act to create or perfect any lien against the property of the debtor or any act to collect, assess or recover a claim against the debtor that arose before the commencement of the bankruptcy would be stayed pursuant to the Bankruptcy Code. While the stay of a bankruptcy court may not prevent the sale of tax liens against the real property of a bankrupt taxpayer, the judicial or administrative foreclosure of a tax lien against the real property of a debtor would be subject to the stay of bankruptcy court. It is reasonable to conclude that "tax sale investors" may be reluctant to purchase tax liens under such circumstances, and, therefore, the timeliness of post bankruptcy petition tax collection becomes uncertain.

It cannot be determined what impact any deterioration of the financial conditions of any taxpayer, whether or not protection under the Bankruptcy Code is sought, may have on payment of or the secondary market for the Certificates. None of the County or the Financial Advisor, nor their respective agents or consultants have undertaken any independent investigation of the operations and financial condition of any taxpayer, nor have they assumed responsibility for the same.

In the event the County is expressly enjoined or prohibited by law from collecting taxes from any taxpayer, such as may result from the bankruptcy of a taxpayer, any resulting deficiency could be collected in subsequent tax years by adjusting the County's tax rate charged to non-bankrupt taxpayers during such subsequent tax years.

Tax Rates and Assessed Valuations

The data shown below lists separately the primary and secondary tax rates and assessed valuations for the county for the past five fiscal years.

Tax Year	Primary Tax Rate	Primary Assessed Valuation	Secondary Tax Rate	Secondary Assessed Valuation
2000-01	$1.1641	$19,362,298,255	$0.1152	$20,877,715,546
1999-00	1.1884	17,463,875,533	0.1085	18,676,830,848
1998-99	1.1472	16,017,265,623	0.1312	16,813,017,261
1997-98	1.1265	15,006,270,531	0.1364	15,723,498,194
1996-97	1.1054	13,975,668,204	0.1575	14,343,156,861

Real and Secured Property Taxes Levied and Collected (a)
Maricopa County, Arizona

Fiscal Year	Tax Rate	Tax Levy	Collected to June 30 of Initial Fiscal Year: Amount	Collected to June 30 of Initial Fiscal Year: % of Levy
2000-01	$1.2746	$249,447,642	N/A	N/A
1999-00	1.2969	279,978,758	$271,213,222	96.90%
1998-99	1.2784	257,557,253	250,203,739	97.10%
1997-98	1.2629	239,451,423	234,374,998	97.90%
1996-97	1.7929	221,234,454	216,526,935	97.90%

Source: Maricopa County Treasurer's Office.

(a) Taxes are certified and collected by the Maricopa County Treasurer. Taxes in support of debt service are levied by the Maricopa County Board of Supervisors as required by Arizona Revised Statutes. Delinquent taxes are subject to an interest and penalty charge of 16% per annum, which is prorated at a monthly rate of 1.33%. Interest and penalty collections for delinquent taxes are not included in the collection figures above, but are deposited in the County General Fund.

(b) 2000-01 Taxes in Course of Collection:
The first installment is due on 10-01-00 and is delinquent on 11-01-00; and
the second installment is due on 03-01-01 and is delinquent on 05-01-01.

ASSESSED VALUATIONS AND TAX RATES

Arizona property taxes are divided into two systems, primary and secondary. Secondary property taxes are those taxes imposed for payment of bonded indebtedness, for exceeding a budget, expenditure or tax limitation pursuant to voter approval and for operating and maintaining certain special districts. Primary property taxes are all ad valorem taxes other than secondary property taxes.

Under the primary system, the full cash value of locally-assessed real property (consisting of residential, commercial, industrial, agricultural and unimproved property) cannot increase by more than 10% per year, except under certain circumstances. This limitation does not apply to mines, utilities and railroads, which are assessed by the State. Annual tax levies under the primary system are based on the nature of the property taxed and the taxing authority. Primary taxes levied on residential property only are limited to 1% of the full cash value of such property. In addition, primary taxes levied on all types of property by counties, cities, towns and community college districts are limited to a maximum increase of 2% over the maximum allowable prior year's levy plus any amount directly attributable to new construction and annexation. The 2% limitation does not apply to primary taxes levied for local school districts.

Secondary assessed valuation represents the value used in determining property tax levies for the payment of principal and interest on bonds and the calculation of maximum bonded indebtedness allowed under the State's Constitutional debt limit. Under the secondary system, there is no limitation on annual increases in full cash value of any property. In addition, annual tax levies for voter-approved bonded indebtedness and special district taxes are unlimited.

Direct and Overlapping Assessed Valuations and Total Tax Rates Per $100 Assessed Valuation

Overlapping Jurisdiction	2000-01 Secondary Assessed Valuation	2000-01 Primary Assessed Valuation	2000-01 Total Tax Rates Per $100 Assessed Valuation (a)
State of Arizona	$31,744,964,844	$29,830,090,428	N/A
Maricopa County Community College District	20,877,715,546	19,362,298,255	$1.1194
Maricopa County Library District (b)	20,877,715,546	N/A	0.0421
Maricopa County Fire District (b)	20,877,715,546	N/A	0.2534
Maricopa County Flood Control District (b)	17,485,889,868	N/A	0.2534
Central Arizona Water Conservation District (b)	20,877,715,546	N/A	0.2534
Elementary School Districts	9,279,425,522	8,658,961,823	188.7996
Unified School Districts	10,945,726,511	10,087,586,854	94.3523
High School Districts	8,098,852,028	7,491,783,641	23.9761
E. Valley Institute of Technology District No. 401	9,225,862,579	N/A	0.1186
Cities and Towns	18,229,524,534	16,826,614,686	20.7663
Maricopa County	20,877,715,546	19,362,298,255	1.2793

(a) Based upon fiscal year 2000-01 data obtained from the Maricopa County Department of Finance.

(b) The assessed valuation of the Flood Control District does not include the personal property assessed valuation of Maricopa County. All levies for library districts, fire districts, water conservation districts and flood control districts are levied on the secondary assessed valuation, as shown here.

Weighted Average Overlapping Tax Rates

	Weighted Average Total Tax Rate Per $100 Assessed Valuation (a)
Inside Elementary Districts, Inside Cities and Towns and Outside East Valley Institute of Technology No. 401	$14.5738
Inside Elementary Districts, Outside Cities and Towns and Outside East Valley Institute of Technology No. 401	$ 6.6134
Inside Elementary School Districts, Inside Cities and Towns and Inside East Valley Institute of Technology No. 401	$12.6585
Inside Elementary School Districts, Outside Cities and Towns and Inside East Valley Institute of Technology No. 401	$10.9211
Inside Unified School Districts, Inside Cities and Towns and Outside East Valley Institute of Technology No. 401	$12.1909
Inside Unified School Districts, Outside Cities and Towns and East Valley Institute of Technology No. 401	$11.2679
Inside Unified School Districts, Inside Cities and Towns and Inside East Valley Institute of Technology No. 401	$10.6939
Inside Unified School Districts, Outside Cities and Towns and Inside East Valley Institute of Technology No. 401	$11.5758
Outside all school districts, inside cities and towns and outside East Valley Institute of Technology No. 401	$ 6.2223
Outside all school districts, outside cities and towns and outside East Valley Institute of Technology No. 401	$ 7.2887

(a) The tax shown is a weighted average based on each municipality's proportionate amount of primary assessed valuation for each classification.

Assessed Valuation of Major Taxpayers (a)
Maricopa County, Arizona

Taxpayer	2000-01 Secondary Assessed Valuation	As % of County's Total 2000-01 Secondary Assessed Valuation
Arizona Public Service Company	$ 783,320,617	3.75%
U.S. West Communications Inc.	321,615,550	1.55
Southern California Edison Company	236,027,104	1.13
El Paso Electric Co.	204,045,244	0.98
Motorola Inc.	173,500,012	0.83
Public Service Company of New Mexico	112,181,397	0.54
Southwest Gas Corporation	97,038,350	0.46
Southern Calif. Public Power Authority	88,506,537	0.42
Intel Corporation	87,504,788	0.42
AT&T	73,811,195	0.35
City of Los Angeles Dept. of Wtr. & Power	62,328,889	0.30
Scottsdale Fashion Square Partnership	47,334,672	0.23
MCI Telecommunications Corp	46,843,769	0.22
Sheraton The Phoenician	39,045,493	0.19
Total	**$2,373,103,617**	**11.38%**

Source: Maricopa County Treasurer's office.

(a) Data obtained from the fiscal year 2000-01 tax rolls of the Maricopa County Assessor's Office and the records of the Arizona Department of Revenue.

Comparative Secondary Assessed Valuation Histories

Fiscal Year	City of Phoenix	Maricopa County	State of Arizona
2000-01	$7,573,211,016	$20,877,715,546	$31,744,964,844
1999-00	6,915,960,312	18,676,830,848	29,098,577,633
1998-99	6,202,274,718	16,813,017,261	26,793,103,121
1997-98	5,894,963,462	15,723,498,194	25,377,388,011
1996-97	5,400,221,498	14,343,156,861	23,333,678,475

Source: *State and County Abstract of the Assessment Role*, State of Arizona Department of Revenue and The Arizona Property Tax Research Foundation, *Property Tax Rates and Assessed Values.*

Estimated Full Cash Valuation (a)
Maricopa County, Arizona

Fiscal Year	Estimated Full Cash Value
2000-01	$161,156,816,295
1999-00	134,709,854,002
1998-99	128,171,304,453
1997-98	120,276,272,356
1996-97	107,807,337,315

(a) Estimated full cash value is the total market value of the taxable property less estimated exempt property within the City as provided to the City by the Arizona Department of Revenue, Division of Property and Special Taxes.

Sales and Transaction Privileges Tax Receipts

The following table indicates sales and transaction privilege tax revenue that have been, or are estimated to be received by the County. Such taxes are levied by the State and are distributed to the County on the basis of a formula prescribed by State statute.

Fiscal Year	Sales and Transaction Privilege Tax Receipts(a)
1994-95	$225,445,807
1995-96	234,576,660
1996-97	240,138,668
1997-98	256,680,131
1998-99	273,423,421
1999-00	296,029,480

(a) Does not include a special county-wide $.005 sales tax levied by Maricopa County for construction of freeways. The proceeds of such tax are collected by the State and held in trust by the State Treasurer. All freeway construction is administered by the Arizona Department of Transportation. The $.005 sales tax will produce approximately $130 million in fiscal year 2000. The revenues from the tax will not be available to the County for general operating purposes or payments on the Lease.

Source: Maricopa County, Arizona, Comprehensive Annual Financial Report for the year ended June 30, 2000.

APPENDIX C

MARICOPA COUNTY

GENERAL PURPOSE FINANCIAL STATEMENTS FOR THE FISCAL YEAR ENDED JUNE 30, 2000

DEBRA K. DAVENPORT, CPA
AUDITOR GENERAL

STATE OF ARIZONA
OFFICE OF THE
AUDITOR GENERAL

Independent Auditors' Report

Members of the Arizona State Legislature

The Board of Supervisors of
Maricopa County, Arizona

We have audited the accompanying general purpose financial statements of Maricopa County as of and for the year ended June 30, 2000, as listed in the table of contents. These general purpose financial statements are the responsibility of the County's management. Our responsibility is to express an opinion on these general purpose financial statements based on our audit. We did not audit the financial statements of the Maricopa County Stadium District, which reflect total assets of $5,745,327, $3,032,761, $10,483,728, and $355,304,880 of the Special Revenue Funds, Debt Service Funds, Capital Projects Funds, and the General Fixed Assets Account Group, respectively, as of June 30, 2000; total revenues and other financing sources of $9,589,230, $5,493,194, and $3,480,814 of the Special Revenue Funds, Debt Service Funds, and Capital Projects Funds, respectively, for the year then ended; and total long-term debt obligations of $55,929,259 of the General Long-Term Debt Account Group as of June 30, 2000. Those financial statements were audited by other auditors whose report has been furnished to us, and our opinion on the financial statements, insofar as it relates to the amounts included for the Maricopa County Stadium District in the Special Revenue Funds, Debt Service Funds, Capital Projects Funds, the General Fixed Assets Account Group, and the General Long-Term Debt Account Group, is based solely on the report of the other auditors.

We conducted our audit in accordance with generally accepted auditing standards and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the general purpose financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the general purpose financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall general purpose financial statement presentation. We believe that our audit and the report of the other auditors provide a reasonable basis for our opinion.

In our opinion, based on our audit and the report of the other auditors, the general purpose financial statements referred to above present fairly, in all material respects, the financial position of Maricopa County as of June 30, 2000, and the results of its operations, the cash flows of its proprietary fund types, and the changes in net assets of its investment trust funds for the year then ended in conformity with generally accepted accounting principles.

2910 NORTH 44TH STREET • SUITE 410 • PHOENIX, ARIZONA 85018 • (602) 553-0333 • FAX (602) 553-0051

Our audit was made for the purpose of forming an opinion on the general purpose financial statements of Maricopa County taken as a whole. The combining and individual fund and account group financial statements and schedules listed in the table of contents are presented for purposes of additional analysis and are not a required part of the general purpose financial statements. Such information has been subjected to the auditing procedures applied in the audit of the general purpose financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the general purpose financial statements taken as a whole.

The information included in the introductory and statistical sections listed in the table of contents has not been subjected to the auditing procedures applied in our audit of the general purpose financial statements and, accordingly, we express no opinion on such information.

In accordance with *Government Auditing Standards*, we will also issue our report on our consideration of the County's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, and grants at a future date. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be read in conjunction with this report in considering the results of our audit.

Debbie Davenport
Auditor General

October 12, 2000

Citizen's Audit Advisory Committee

301 W Jefferson • 10th Floor • Phx • AZ • 85003 • (602) 506-1585 • Fax (602) 506-8957

June 30, 2000

The Honorable Maricopa County Board of Supervisors

The Maricopa County Citizen's Audit Advisory Committee has prepared this letter for inclusion in the county's Comprehensive Annual Financial Report (CAFR) according to the committee's charter. Described herein are the committee's composition, responsibilities, and an account of how the responsibilities were discharged.

Composition of the Committee

The membership of the committee shall consist of five voting members and three non-voting members. The voting members shall be board of supervisor appointees from the public and shall serve two-year terms. The non-voting members shall be the county's chief financial officer, the county attorney or designee, and auditor general or designee. The chairman of the board of supervisors shall appoint a committee chairman from the voting members.

Responsibilities of the Committee

The committee's primary function is to assist the board of supervisors in fulfilling its oversight responsibilities. The committee accomplishes this function by reviewing the county's financial information, the established systems of internal controls, and the audit process. The committee also suggests areas requiring audit emphasis. Specific duties of the committee are described in the committee charter.

Accomplishments of the Committee (Fiscal Year 1999 - 2000)

The following duties were performed by the Citizen's Audit Advisory Committee:

- Reviewed the county's internal and external audit activities and management's responses thereto.
- Reviewed the county's annual financial statements and the auditor general's audit report.
- Enhanced the communication between the internal and external auditors.
- Met six times during the fiscal year, although the charter requires only four meetings.
- Coordinated and provided an oversight and review of an audit of the county's Internal Audit Department. The audit was performed by Zolondek, Strassels, Greene & Freed P.C., who reported findings directly to the committee.

Respectfully,

Richard J. Lozar, Chairman

Jack C. Gibson, CPA • Vincent J. Harder, CPA • Dan O'Connor, CPA • Jill Rissi, MPA

General Purpose Financial Statements

The General Purpose Financial Statements are intended to provide the users with an overview and broad perspective of the financial position and results of operations for Maricopa County as a whole.

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Combined Balance Sheet
All Fund Types And Account Groups
As of June 30, 2000

	GOVERNMENTAL FUND TYPES			
	GENERAL	SPECIAL REVENUE	DEBT SERVICE	CAPITAL PROJECTS
ASSETS AND OTHER DEBITS				
Cash in bank and on hand	$ 86,139	$ 12,571,822	$	$ 100
Cash and investments held by County Treasurer	25,375,011	133,873,493	24,573,067	149,663 844
Cash and investments held by trustee	7,596,720	102 309	1,641,603	9,241,341
Receivables (net of allowances for uncollectibles):				
Taxes	5,143,264	1,202,557	520,129	
Accounts				
Accrued interest	2,021,895	1 428,798		1,159,189
Special assessments			823,040	
Due from other funds	75,378,475	944,339	2,982	
Due from other governmental units	74,150,888	71,646,247		39,624
Inventory of supplies	2,121,165	868,650		
Prepaids				
Miscellaneous	380,964	2,254,922		1,140,476
Property, plant and equipment				
Accumulated depreciation				
Amount available for retirement of long-term debt				
Amount to be provided for retirement of long-term debt				
Total assets and other debits	$ 192,254,521	$ 224,893,137	$ 27,560,821	$ 161,244,574
LIABILITIES, EQUITY AND OTHER CREDITS				
Liabilities				
Vouchers payable	$ 13,832,631	$ 35,255,105	$	$ 4,433,263
Employee compensation	7,371,495	5,959,979		11,210
Accrued liabilities	1,538,352	5,130,696		450
Due to other funds		10,287,094		2,268
Due to other governmental units	4,816,133	7,784,847		
Deferred revenue	3,891,255	14,795,861	1,142,448	
Deposits held for other parties		1,643,213		
Interest payable			4,180,426	
General obligation bonds payable			20,315,000	
Stadium District revenue bonds payable			800,000	
Stadium District debt with governmental commitment			900,000	
Special assessment debt with governmental commitment			70,060	
Housing Department bonds payable				
Housing Department loans payable				
Capital leases payable				
Certificates of participation payable				
Claims and judgements payable				
Liability for reported and incurred but not reported claims				
Total liabilities	31,449,866	80,856,795	27 407,934	4,447,191
Equity and other credits:				
Contributed capital				
Investment in general fixed assets				
Retained earnings (deficits):				
Unreserved				
Fund balances:				
Reserved for inventory of supplies	2,121,165	868,650		
Reserved for capital lease expenditures	4,247,293			
Reserved for debt service			152,887	
Reserved for investment trust participants				
Unreserved	154,436,197	143,167,692		156,797,383
Total equity and other credits	160,804,655	144,036,342	152,887	156,797,383
Total liabilities, equity and other credits	$ 192,254,521	$ 224,893,137	$ 27,560,821	$ 161,244,574

The accompanying notes are an integral part of these financial statements.

PROPRIETARY FUND TYPES		FIDUCIARY FUND TYPE	ACCOUNT GROUPS		TOTALS (MEMORANDUM ONLY)
ENTERPRISE	INTERNAL SERVICE	TRUST AND AGENCY	GENERAL FIXED ASSETS	GENERAL LONG-TERM DEBT	JUNE 30, 2000
$ 1,275	$ 164,199	$ 38,726,415	$	$	$ 51,549,950
157,628,704	23,315,816	1,443,058,315			1,957,488,250
5,150,644	2,347,238				26,079,855
					6,865,950
30,965,149					30,965,149
735,598	240,747	14,096,367			19,682,594
					823,040
		659,935			76,985,731
2,340,219	19,342	115,394			148,311,714
2,927,317	1,724,817				7,641,949
2,413,430	652,255				3,065,685
3,944					3,780,306
152,497,557	9,084,036		1,023,841,892		1,185,423,485
(82,259,368)	(5,433,144)				(87,692,512)
				152,887	152,887
				271,250,733	271,250,733
$ 272,404,469	$ 32,115,306	$ 1,496,656,426	$ 1,023,841,892	$ 271,403,620	$ 3,702,374,766
$ 16,903,410	$ 1,910,558	$ 349,904	$	$	$ 72,684,871
4,838,759	576,330			27,084,256	45,842,029
18,869,549	1,090,112				26,629,159
62,955,407	543,030	3,197,932			76,985,731
3,288,904		11,176,915			27,066,799
					19,829,564
		80,299,933			81,943,146
					4,180,426
				79,595,000	99,910,000
				27,704,259	28,504,259
				28,225,000	29,125,000
				659,388	729,448
				95,975	95,975
				1,976,984	1,976,984
608,794				18,121,511	18,730,305
5,666,171				17,222,210	22,888,381
				70,719,037	70,719,037
42,964,831	43,199,791				86,164,622
156,095,825	47,319,821	95,024,684		271,403,620	714,005,736
93,468,652	19,632,407				113,101,059
			1,023,841,892		1,023,841,892
22,839,992	(34,836,922)				(11,996,930)
					2,989,815
					4,247,293
					152,887
		1,401,326,477			1,401,326,477
		305,265			454,706,537
116,308,644	(15,204,515)	1,401,631,742	1,023,841,892		2,988,369,030
$ 272,404,469	$ 32,115,306	$ 1,496,656,426	$ 1,023,841,892	$ 271,403,620	$ 3,702,374,766

Combined Statement Of Revenues, Expenditures And Changes In Fund Balances
All Governmental Fund Types And Expendable Trust Fund
For the Fiscal Year Ended June 30, 2000

	GOVERNMENTAL FUND TYPES			
	GENERAL	SPECIAL REVENUE	DEBT SERVICE	CAPITAL PROJECTS
REVENUES				
Taxes	$ 222,975,967	$ 52,044,545	$ 21,008,968	$
Licenses and permits	271,025	21,915,996		
Intergovernmental	402,400,291	379,977,697		859,370
Charges for services	20,744,303	40,987,616	280,976	13,389
Fines and forfeits	10,871,790	3,711,582		
Miscellaneous	15,281,194	27,655,074	570,601	5,788,570
Total revenues	672,544,570	526,292,510	21,860,545	6,661,329
EXPENDITURES				
Current:				
General government	88,342,570	3,286,559		
Public safety	202,194,917	220,258,774		
Highways and streets		55,450,402		
Health welfare and sanitation	186,759,849	92,227,337		
Culture and recreation	1,334,263	13,968,500		
Education	1,353,609	16,499,854		
Capital outlay	32,223,642	119,333,888		29,843,358
Debt service				
Principal retirement			23,808,586	
Interest charges			7,908,121	
Total expenditures	512,208,850	521,025,314	31,716,707	29,843,358
Excess (deficiency) of revenues over expenditures	160,335,720	5,267,196	(9,856,162)	(23,182,029)
OTHER FINANCING SOURCES (USES)				
Operating transfers in	633,662	95,052,830	8,623,900	154,849,043
Operating transfers out	(151,792,199)	(116,701,994)		
Proceeds of capital leases	4,542,153			
Total other financing sources (uses)	(146,616,384)	(21,649,164)	8,623,900	154,849,043
Excess (deficiency) of revenues and other sources over expenditures and other uses	13,719,336	(16,381,968)	(1,232,262)	131,667,014
Fund balances at beginning of year	145,038,481	160,600,449	1,385,149	25,130,369
Decrease in reserve for inventory of supplies	(199,549)	(182,139)		
Increase in reserve for capital lease expenditures	2,246,387			
Residual equity transfer in	34,121,505			
Residual equity transfer out	(34,121,505)			
Fund balances at end of year	$ 160,804,655	$ 144,036,342	$ 152,887	$ 156,797,383

The accompanying notes are an integral part of these financial statements.

FIDUCIARY FUND TYPE EXPENDABLE TRUST	TOTALS (MEMORANDUM ONLY) JUNE 30, 2000
$	$ 296,029,480
	22,187,021
	783,237,358
	62,026,284
	14,583,372
204,156	49,499,595
204,156	1,227,563,110
	91,629,129
	422,453,691
	55,450,402
35,000	279,022,186
10,680	15,313,443
	17,853,463
	181,400,888
	23,808,586
	7,908,121
45,680	1,094,839,909
158,476	132,723,201
	259,159,435
	(268,494,193)
	4,542,153
	(4,792,605)
158,476	127 930,596
146,789	332,301,237
	(381,688)
	2,246,387
	34,121,505
	(34,121,505)
$ 305,265	$ 462,096,532

Combined Statement Of Revenues, Expenditures And Changes In Fund Balances
Budget And Actual - General, Special Revenue, Debt Service And Capital Projects Funds
For the Fiscal Year Ended June 30, 2000

	GENERAL FUND			SPECIAL REVENUE FUNDS		
	BUDGET	ACTUAL	VARIANCE	BUDGET	ACTUAL	VARIANCE
REVENUES						
Taxes	$ 222,351,740	$ 222,975,967	$ 624,227	$ 53 117 699	$ 52 044 545	$ (1 073,154)
Licenses and permits	45,000	271,025	226 025	18,543 522	21 915 996	3 372 474
Intergovernmental	368 187,558	402,400,291	34 212,733	389 166,158	368 083 981	(21,082 177)
Charges for services	18,492,285	20 744,303	2,252,018	35 669 878	33 827 136	(1,842 742)
Fines and forfeits	9,970,000	10,871,790	901 790	1 485,800	3,711 582	2,225 782
Miscellaneous	12,905 483	15,281,194	2,375 711	20,269 974	26 304 439	6 034 465
Total revenues	631 952,066	672,544 570	40 592,504	518 253 031	505 887,679	(12,365,352)
EXPENDITURES						
Current						
General government	128,706,892	95,197 616	33 509,276	4,974 487	3 285 621	1 688 866
Public safety	206 147,639	202 194,917	3,952,722	240 114 089	215 799 390	24,314 699
Highways and streets				42,942,854	55 450 402	(12,507,548)
Health, welfare and sanitation	256,678,300	242,255 649	14 422,651	108,744 801	92,227 337	16,517,464
Culture and recreation	1,336,056	1,334,263	1,793	14 137 483	13 439,124	698 359
Education	1 405,955	1,353 609	52,346			
Capital outlay	33 441,539	27,681,489	5,760,050	168,120,289	119 078,622	49,041,667
Debt service						
Principal retirement						
Interest charges						
Total expenditures	627,716 381	570 017,543	57 698 838	579 034 003	499,280 496	79 753,507
Excess (deficiency) of revenues over expenditures	4,235 685	102 527,027	98 291,342	(60,780,972)	6,607 183	67,388,155
OTHER FINANCING SOURCES (USES)						
Operating transfers in	62,689 415	62 984,508	295,093	88,890 845	95 052,830	6,161,985
Operating transfers out	(138,029 946)	(151 792,199)	(13 762,253)	(121,202,529)	(116 701,994)	4,500,535
Total other financing sources (uses)	(75,340 531)	(88 807,691)	(13 467,160)	(32,311 684)	(21 649 164)	10 662,520
Excess (deficiency) of revenues and other sources over expenditures and other uses	(71,104,846)	13,719,336	84,824,182	(93,092 656)	(15,041,981)	78 050,675
Fund balances at beginning of year	71 304,846	145,038,481	73,733,635	133,928,793	154,812 835	20,884,042
Increase (decrease) in reserve for inventory of supplies		(199,549)	(199,549)		(143 143)	(143 143)
Fund balances at end of year	$ 200,000	$ 158,558,268	$ 158 358,268	$ 40,836,137	$ 139,627,711	$ 98 791 574

The accompanying notes are an integral part of these financial statements

DEBT SERVICE FUNDS			CAPITAL PROJECTS FUNDS			TOTAL (MEMORANDUM ONLY)		
BUDGET	ACTUAL	VARIANCE	BUDGET	ACTUAL	VARIANCE	BUDGET	ACTUAL	VARIANCE
$ 20,903 863	$ 21,008 968	$ 105 105	$	$	$	$ 296 373,302	$ 296,029 480	$ (343 822)
						18 588,522	22,187,021	3,598 499
			8,186,000	859 370	(7,326,630)	765,539 716	771,343,642	5,803,926
						54 162 163	54,571,439	409,276
						11 455,800	14,583,372	3,127,572
400 000	570,601	170,601	2,350 000	5 748 233	3 398 233	35 925,457	47,904 467	11,979 010
21,303 863	21 579 569	275,706	10,536 000	6 607,603	(3 928 397)	1,182 044 960	1,206 619 421	24,574,461
						133,681,379	98,483,237	35,198,142
						446,261,728	417 994 307	28,267 421
						42,942,854	55,450,402	(12,507,548)
						365,423,101	334,482 986	30,940,115
						15 473,539	14,773,387	700,152
						1 405,955	1,353,609	52 346
			96,248,115	29 843 358	66,404,757	297,809,943	176,603,469	121,206,474
22 015,000	23,600,426	(1,585 426)				22,015,000	23,600,426	(1,585,426)
9 428 470	7,843 043	1,585 427				9,428,470	7,843,043	1,585,427
31 443,470	31 443 469	1	96 248,115	29 843 358	66,404,757	1 334 441,969	1 130,584,866	203,857,103
(10 139 607)	(9 863,900)	275,707	(85 712,115)	(23,235,755)	62,476 360	(152,397,009)	76,034 555	228 431 564
7 534,746	8 623 900	1,089,154	154,931,875	154 849,043	(82,832)	314,046 881	321,510,281	7 463 400
						(259,232 475)	(268,494,193)	(9,261,718)
7,534,746	8 623,900	1,089,154	154 931 875	154 849,043	(82,832)	54 814 406	53,016 088	(1,798,318)
(2,604,861)	(1,240,000)	1,364,861	69,219,760	131 613,288	62,393,528	(97,582 603)	129,050,643	226,633,246
2,548,314	1,240,000	(1,308,314)	25,370 624	24,912,935	(457,689)	233,152,577	326,004,251	92,851,674
							(342,692)	(342,692)
$ (56,547)	$	$ 56,547	$ 94,590 384	$ 156,526,223	$ 61 935,839	$ 135,569,974	$ 454,712,202	$ 319 142,228

Combined Statement Of Revenues, Expenses And Changes In Fund Equity
All Proprietary Fund Types
For the Fiscal Year Ended June 30, 2000

	PROPRIETARY FUND TYPES		TOTALS (MEMORANDUM ONLY)
	ENTERPRISE	INTERNAL SERVICE	JUNE 30, 2000
OPERATING REVENUES			
Net patient service revenue	$ 157,286,802	$	$ 157,286,802
Charges for services	387,932,964	87,758,508	475,691,472
Other	15,645,453	392,504	16,037,957
Total operating revenues	560,865,219	88,151 012	649 016,231
OPERATING EXPENSES			
Personal services	109,481,192	6,628,033	116,109,225
Supplies	35,681,804	6,408,788	42,090,592
Medical services	356,683,727		356 683 727
Other services	37,989,771	3,670,501	41,660,272
Legal		5,515,301	5,515,301
Insurance	342,569	54,305,170	54,647,739
Leases and rentals	3,306,914	1,144,824	4,451,738
Repairs and maintenance	2 489,754	3,346,329	5,836,083
Travel and transportation	428	97,435	97,863
Utilities	3,720,252	4,299,278	8,019,530
Depreciation	8,166,068	578,926	8,744,994
Miscellaneous	4,945,592	1,435,199	6,380,791
Total operating expenses	562,808,071	87,429,784	650,237,855
Operating income (loss)	(1,942,852)	721,228	(1,221,624)
NON-OPERATING REVENUES (EXPENSES)			
Grant revenues	5,073,775	46,832	5,120,607
Interest income	8,341,509	1,033,844	9,375,353
Interest expense	(2,669,572)	(20,902)	(2,690,474)
Loss on disposal of fixed assets	(12,884)	(370,675)	(383,559)
Net non-operating revenues	10,732,828	689,099	11,421,927
Net income before operating transfers	8,789,976	1,410,327	10,200,303
OPERATING TRANSFERS			
Transfers in	10,824,101		10,824,101
Transfers out	(1,489,343)		(1,489,343)
Net income (loss)	18,124,734	1,410,327	19,535,061
Fund equities (deficit) at beginning of year – as restated	98,183,910	(15,562,347)	82,621,563
OTHER CHANGES IN FUND EQUITIES			
Net residual equity transfers	(34,121,505)		(34,121,505)
Increase in contributed capital	34,121,505		34,121,505
Transfer to General Fixed Assets Account Group		(1,052,495)	(1,052,495)
Fund equities (deficits) at end of year	$ 116,308,644	$ (15,204,515)	$ 101,104,129

The accompanying notes are an integral part of these financial statements.

Combined Statement Of Cash Flows
All Proprietary Fund Types
For the Fiscal Year Ended June 30, 2000

	PROPRIETARY FUND TYPES		TOTALS (MEMORANDUM ONLY)
	ENTERPRISE	INTERNAL SERVICE	JUNE 30, 2000
CASH FLOWS FROM OPERATING ACTIVITIES			
Operating income (loss)	$ (1,942,852)	$ 721,228	$ (1,221,624)
Adjustments to reconcile operating income (loss) to net cash provided by operating activities			
Depreciation	8,166,068	578,926	8,744,994
Changes in assets and liabilities:			
Increase in:			
Accounts receivable	(5,337,976)		(5,337,976)
Due from other governmental units		(19,342)	(19,342)
Inventory of supplies	(766,267)	(388,553)	(1,154,820)
Prepaids	(544,489)		(544,489)
Employee compensation	670,453		670,453
Accrued liabilities		299,829	299,829
Due to other funds		202,275	202,275
Due to other governmental units	3,288,904		3,288,904
Liability for reported and incurred but not reported claims	5,704	2,251,654	2,257,358
Decrease in:			
Accounts receivable		83,225	83,225
Due from other funds		1,618,745	1,618,745
Due from other governmental units	20,380,682		20,380,682
Prepaids		28,459	28,459
Miscellaneous	10,415,546		10,415,546
Vouchers payable	(13,933,104)	(267,764)	(14,200,868)
Employee compensation		(153,972)	(153,972)
Accrued liabilities	(245,102)		(245,102)
Due to other funds	(5,575,715)		(5,575,715)
Net cash provided by operating activities	14,581,852	4,954,710	19,536,562
CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES			
Grants received	5,073,775	46,832	5,120,607
Operating transfers from other funds	10,824,101		10,824,101
Operating transfers to other funds	(1,489,343)		(1,489,343)
Interest expense	(2,669,572)	(20,902)	(2,690,474)
Net cash provided by non-capital financing activities	11,738,961	25,930	11,764,891
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES			
Acquisition of fixed assets	(11,083,996)	(2,878,234)	(13,962,230)
Proceeds from sale of certificates of participation	5,300,000		5,300,000
Capital lease payments	(516,364)		(516,364)
Certificate of participation payments	(692,403)		(692,403)
Net cash used for capital and related financing activities	(6,992,763)	(2,878,234)	(9,870,997)
CASH FLOWS FROM INVESTING ACTIVITIES			
Interest income	8,623,575	984,609	9,608,184
Proceeds from sale of investments held by trustee		2,363,476	2,363,476
Purchase of investments held by trustee		(2,347,238)	(2,347,238)
Net cash provided by investing activities	8,623,575	1,000,847	9,624,422
Net increase in cash and cash equivalents	27,951,625	3,103,253	31,054,878
Cash and cash equivalents, July 1, 1999	134,828,998	20,376,762	155,205,760
Cash and cash equivalents, June 30, 2000	$ 162,780,623	$ 23,480,015	$ 186,260,638
SCHEDULE OF NONCASH INVESTING, CAPITAL AND FINANCING ACTIVITIES			
Transfer of equipment to General Fixed Assets Account Group	$	$ (1,052,495)	$ (1,052,495)
Restatement of July 1, 1999 accrued liabilities and retained earnings	3,769,223		3,769,223
Deletion of equipment	(24,737)	(745,116)	(769,853)
Elimination of accumulated depreciation related to deletions	11,853	374,441	386,294
Loss on disposal of fixed assets	12,884	370,675	383,559
Residual equity transfer out to the General Fund resulting in an increase of due to other funds. Cash will be transferred in fiscal year 2000-01.	(34,121,505)		(34,121,505)
Increase in contributed capital due to a residual equity transfer from the General Fund resulting in a decrease of due to other funds. Cash will be transferred in fiscal year 2000-01.	34,121,505		34,121,505

The accompanying notes are an integral part of these financial statements.

Combining Statement Of Changes In Net Assets
Investment Trust Funds
For the Fiscal Year Ended June 30, 2000

	TREASURER'S INVESTMENT POOL	INDIVIDUAL INVESTMENT ACCOUNTS	TOTAL
Additions:			
Contributions from participants	$3,922,068,543	$	$ 3,922,068,543
Investment income:			
Interest income	60,167,964		60,167,964
Net increase (decrease) in fair value of investments	(2,777,771)	13,490	(2,764,281)
Net investment income	57,390,193	13,490	57,403,683
Total additions	3,979,458,736	13,490	3,979,472,226
Deductions:			
Distributions to participants	3,919,122,208	15,299,622	3,934,421,830
Total deductions	3,919,122,208	15,299,622	3,934,421,830
Net increase (decrease) in net assets	60,336,528	(15,286,132)	45,050,396
Net assets held in trust:			
July 1, 1999	1,254,572,000	101,704,081	1,356,276,081
June 30, 2000	$1,314,908,528	$ 86,417,949	$ 1,401,326,477

The accompanying notes are an integral part of these financial statements.

General Purpose Financial Statements - Notes

The Notes to the General Purpose Financial Statements include a summary of significant accounting policies and other disclosures considered necessary for a clear understanding of the accompanying financial statements.

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting policies of Maricopa County conform to generally accepted accounting principles applicable to governmental units as promulgated by the Governmental Accounting Standards Board (GASB). A summary of the County's more significant accounting policies follows.

The County's major operations include general government, public safety, highways and streets, health, welfare and sanitation, culture and recreation, education, maintenance and construction. In addition, the County owns and operates five enterprise activities: two health plans, a long-term care system, a medical center and landfills.

A. Reporting Entity

Maricopa County is a general purpose local government governed by a separately elected board of five county supervisors. These general purpose financial statements present all fund types and account groups of the County (a primary government) and its component units. Component units are legally separate entities for which the County is considered to be financially accountable. Blended component units, although legally separate entities, are in substance part of the County's operations, and so data from these units is combined with data of the primary government. Discretely presented component units, on the other hand, are reported in a separate column in the combined financial statements to emphasize they are legally separate from the County. Each blended component unit has a June 30 year-end. The County has no discretely presented component units. The reporting entity is thus comprised of the primary government, Maricopa County Flood Control District, Maricopa County Library District, Maricopa County Stadium District, various Special Assessment Districts and the Maricopa County Street Lighting Districts.

The various school districts and some special districts within the County are governed by independently elected boards, and the County is not obligated in any manner for the debt of such districts. Therefore, the financial statements of such districts are not included in the accompanying financial statements except to reflect amounts held in a fiduciary capacity by the County Treasurer.

The Blended Component Units are as follows:

Maricopa County Flood Control District

The Maricopa County Flood Control District is a legally separate entity that provides flood control facilities and regulates floodplains and drainage to prevent flooding of property in Maricopa County. As the County Board of Supervisors serves as the Board of Directors of the Flood Control District, the District is considered a component unit of the County. The District's activities are reported in the Special Revenue Funds and its fixed assets are reported in the General Fixed Assets Account Group.

Maricopa County Library District

The Library District is a legally separate entity that provides and maintains library services for the residents of Maricopa County. As the County Board of Supervisors serves as the Board of Directors of the Library District, the District is considered a component unit of the County. The District's activities are reported in the Special Revenue Funds and its fixed assets are reported in the General Fixed Assets Account Group.

Maricopa County Stadium District

The Stadium District is a legally separate entity that provides regional leadership and fiscal resources to assure the presence of Major League Baseball in Maricopa County. As the County Board of Supervisors serves as the Board of Directors of the Maricopa County Stadium District, the District is considered a component unit of the County. The District's activities are reported in the Special Revenue, Debt Service, and Capital Projects Funds and its fixed assets and long-term liabilities are reported in the General Fixed Assets and General Long-Term Debt Account Groups.

Maricopa County Special Assessment Districts

The Special Assessment Districts are legally separate entities that provide improvements to various properties within the County. As the County Board of Supervisors serves as the Board of Directors of the Maricopa County Special Assessment Districts, the Districts are considered a component unit of the County. The Districts' activities are reported in the Debt Service Funds and their long-term liabilities are reported in the General Long-Term Debt Account Group.

Maricopa County Street Lighting Districts

The Street Lighting Districts are legally separate entities that provide street lighting in areas of the County that are not under local city jurisdictions. As the County Board of Supervisors serves as the Board of Directors of the Maricopa County Street Lighting Districts, the Districts are considered a component unit of the County. The Districts' activities are reported in the Special Revenue Funds.

Complete financial statements of the Maricopa County Stadium District may be obtained at the entity's administrative office listed below:

Maricopa County Stadium District
Bank One Ballpark
401 East Jefferson
Phoenix, Arizona 85004

Separate financial statements of the remaining blended component units are not prepared.

Related Organization

The Industrial Development Authority of Maricopa County (Authority) is a legally separate entity that was created to promote industry and develop trade by inducing manufacturing, industrial and commercial enterprises to locate to Maricopa County. The Authority issues bonds for which the proceeds are lent to qualified businesses to finance projects located within the County. The County Board of Supervisors appoints the Authority's Board of Directors. However, the Authority's operations are completely separate from the County and the County is not financially accountable for the Authority. Therefore, the financial activities of the Authority have not been included in the accompanying financial statements.

B. Fund Accounting

The County's accounts are maintained in accordance with the principles of fund accounting to ensure that limitations and restrictions on the County's available resources are observed. The principles of fund accounting require that resources be classified for accounting and reporting purposes into funds or account groups in accordance with the activities or objectives specified for those resources. Each fund is considered a separate accounting entity, and its operations are accounted for in a separate set of self-balancing accounts that comprise its assets, liabilities, fund equity, revenues, and expenditures or expenses. Account groups are reporting devices to account for certain assets and liabilities of the governmental funds not recorded directly in those funds.

Accounts are separately maintained for each fund and account group; however, in the accompanying financial statements, funds that have similar characteristics have been combined into generic fund types that are further classified into broad fund categories. A description of the fund categories, types, and account groups follows.

1. **Governmental Funds** account for the County's general government activities using the flow of current financial resources measurement focus and include the following fund types:

   The *General Fund* is the County's primary operating fund. It accounts for all financial resources of the County, except those required to be accounted for in other funds.

   The *Special Revenue Funds* account for specific revenue sources, other than expendable trusts and major capital projects, that are legally restricted to expenditures for specific purposes.

   The *Debt Service Funds* account for resources accumulated and disbursed for the payment of general long-term debt principal, interest, and related costs.

   The *Capital Projects Funds* account for resources to be used for acquiring or constructing major capital facilities, other than those financed by Proprietary Funds.

2. **Proprietary Funds** account for the County's ongoing activities that are similar to those found in the private sector using the flow of economic resources measurement focus. The County applies only those applicable FASB Statements and Interpretations, APB Opinions, and ARBs issued on or before November 30, 1989, to its proprietary activities unless those pronouncements conflict with or contradict GASB pronouncements. The County's proprietary funds include the following fund types:

   The *Enterprise Funds* account for operations that are financed and operated in a manner similar to private business enterprises, in which the intent of the Board of Supervisors is that the costs (expenses, including depreciation) of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges; or for which the Board of Supervisors has decided that periodic determination of revenues earned, expenses incurred, or net income is appropriate for capital maintenance, public policy, management control, accountability or other purposes.

   The *Internal Service Funds* account for the financing of goods and services provided by the department or agency to the County departments or agencies, or to other governments on a cost-reimbursement basis.

3. **Fiduciary Funds** account for assets held by the County on behalf of others, and include the following fund types:

   The *Expendable Trust Fund* is accounted for in essentially the same manner as the governmental fund types, using the same measurement focus. Expendable trust funds account for assets where both the principal and interest may be spent.

   The *Investment Trust Funds* account for investments made by the County on behalf of other governmental entities using the economic resources measurement focus.

The *Agency Fund* is custodial in nature and does not present results of operations or have a measurement focus. This fund is used to account for assets that the government holds for others in an agency capacity.

4. **Account Groups** are used to establish control and accountability for certain County assets and liabilities that are not recorded in the funds and include the following two groups:

   The *General Fixed Assets Account Group* accounts for all fixed assets of the County, except those accounted for in Proprietary Funds.

   The *General Long-Term Debt Account Group* accounts for all long-term obligations of the County, except those accounted for in Proprietary Funds.

C. Basis of Accounting

Basis of accounting relates to the timing of the measurements made, regardless of the measurement focus applied, and determines when revenues and expenditures or expenses are recognized in the accounts and reported in the financial statements. The financial statements of the Governmental, Expendable Trust, and Agency Funds are presented on the modified accrual basis of accounting. Revenues are recognized when they become measurable and available to finance expenditures of the current period. Expenditures are recognized when the related fund liability is incurred, except for principal and interest on general long-term debt that are recognized when due. However, since debt service resources are provided during the current year for payment of general long-term debt principal and interest due early in the following year, those expenditures and related liabilities have been recognized in the Debt Service Funds.

Those revenues susceptible to accrual prior to receipt are property taxes; franchise taxes; special assessments; intergovernmental aid, grants and reimbursements; interest revenue; charges for services; and sales taxes collected and held by the State at year-end on behalf of the County. Fines and forfeits, licenses and permits, rents, contributions, and miscellaneous revenues are not susceptible to accrual because generally they are not measurable until received in cash.

The financial statements of the Proprietary and Investment Trust Funds are presented on the accrual basis of accounting. Revenues are recognized when they are earned, and the expenses are recognized when they are incurred.

D. Budgeting and Budgetary Control

Arizona Revised Statutes (A.R.S.) require the County to prepare and adopt a balanced budget annually for each separate fund. The Board of Supervisors must approve such operating budgets on or before the third Monday in July to allow sufficient time for the legal announcements and hearings required for the adoption of the property tax levy on the third Monday in August. A.R.S. prohibit expenditures or liabilities in excess of the amounts budgeted.

Essentially, the County prepares its budget on the same modified accrual basis of accounting used to record actual revenues and expenditures.

The County has adopted budgets in accordance with the A.R.S. requirements for the General, Special Revenue, Debt Service, and Capital Projects Funds except for certain Special Revenue, Debt Service and Capital Projects Funds. Formal budget integration is not employed for the Expendable Trust, Internal Service, and Enterprise Funds because effective budgetary control is alternatively achieved through either the terms of the trust agreement in the case of the Expendable Trust Fund, or the capability of cost recovery in the case of Internal Service and Enterprise Funds. Budgeted amounts are reported as originally adopted or as amended by authorization from the Board of Supervisors. All budget adjustments require authorization from the Board of Supervisors.

Expenditures may not legally exceed appropriations at the department level. In certain instances, transfers of appropriations between departments or from the contingency account to a department may be made upon approval of the Board of Supervisors. With the exception of the General Fund, each fund includes only one department.

Increases in budgeted revenues and budgeted appropriations resulting from unanticipated grant funds are included in the budget columns in the financial statements. These increases are not subject to Arizona budgetary law. All grant agreements require approval by the Board of Supervisors.

Capital projects are typically long-term projects that are planned for and budgeted over several years. The budgets presented are on an annual basis only.

The County budgets for Governmental Fund types on a basis consistent with generally accepted accounting principles (GAAP), with the exception of the following types of transactions:

Capital Lease Transactions
Bond Issuance Transactions

Encumbrance accounting, under which purchase orders, contracts and other commitments to expend monies, is recorded to reserve that portion of the applicable fund balance, is employed as an extension of formal budgetary control. Encumbrances outstanding at year-end for goods or services, which were not received before fiscal year-end, are canceled. However, the County may draw warrants against encumbered amounts for goods or services received but unpaid at June 30 for 30 days immediately following the close of the fiscal year. After 30 days, the remaining encumbered balances lapse.

E. Grants

Grants are recorded as intergovernmental receivables and revenues when the related expenditure (or expense) is incurred. Grant monies received in advance and not spent are recorded as liabilities in their respective fund. Reimbursement grants for the acquisition of fixed assets of Proprietary Fund Types are recorded as intergovernmental receivables and contributed capital when the related expense is incurred.

F. Cash and Investments

For purposes of its statements of cash flows, the County considers only those highly liquid investments with a maturity of three months or less when purchased to be cash equivalents.

Nonparticipating interest-earning investment contracts are stated at cost. Money market investments and participating interest-earning investment contracts with a remaining maturity of one year or less at time of purchase are stated at amortized cost. All other investments are stated at fair value.

G. Inventory of Supplies

Inventories of the Governmental Funds consist of expendable supplies held for consumption and are recorded as expenditures at the time of purchase. Amounts on hand at year-end are shown on the balance sheet as an asset for informational purposes only and are offset by a fund balance reserve to indicate that they do not constitute "available spendable resources." These inventories are stated at weighted-average cost.

Inventories of the Proprietary Funds are recorded as assets when purchased and expensed when consumed. The amount shown on the balance sheet for the Enterprise Funds is valued at cost using the first-in, first-out method. The amount shown on the balance sheet for the Internal Service Funds is valued at cost using the moving average method.

H. Property, Plant and Equipment

Property, plant and equipment expenditures are recorded in the Governmental Fund types, while the assets are recorded in the General Fixed Assets Account Group. Property, plant and equipment for general governmental purposes are capitalized at cost or estimated fair market value at date of donation in the case of gifts. Depreciation on property, plant and equipment in the General Fixed Assets Account Group is not recorded.

The County capitalizes equipment that is relatively permanent and of significant value. Relatively permanent is defined as a useful life of one year or longer. Significant value is defined as $1,000 or more. Structures and improvements of $5,000 or more are capitalized.

Certain infrastructure assets, including roads, bridges, curbs and gutters, streets and sidewalks, drainage systems and lighting systems, are not capitalized.

Property, plant and equipment acquired by the Proprietary Funds are recorded at cost or estimated fair market value at date of donation in the case of gifts. Depreciation is computed using the straight-line method applied over the estimated useful lives of the assets and is charged as an expense against operations. The cost of maintenance and repairs is charged to expense as incurred. Significant renewals and improvements are capitalized and retirements are deducted.

The following shows the estimated useful lives of various kinds of County assets:

TYPE OF ASSETS	ESTIMATED USEFUL LIFE IN YEARS
Buildings	20 - 50
Improvements other than buildings	20 - 50
Autos and trucks	3
Other equipment	3 - 20

I. Property Tax Revenues

Property taxes are recognized as revenues in the fiscal year they are levied and collected or if they are collected within 60 days subsequent to fiscal year-end. Property taxes not collected within 60 days subsequent to fiscal year-end or collected in advance of the fiscal year for which they are levied are reported as deferred revenues.

The County levies real property taxes on or before the third Monday in August that become due and payable in two equal installments. The first installment is due on the first day of October and becomes delinquent after the first business day of November. The second installment is due on the first day of March of the next year and becomes delinquent after the first business day of May.

The County also levies various personal property taxes throughout the year. Rolls are compiled by the Assessor as property is discovered and certified to the Board of Supervisors. The Board acting as the Board of Equalization, conducts hearings on the roll and certifies the amended roll to the County Treasurer at regular monthly Board meetings. The taxes are then due the second Monday of the following month after receipt of the tax notice and becomes delinquent 30 days thereafter.

The County also assesses personal property taxes upon secured and unsecured property. Secured personal property taxes are assessed and billed with real estate taxes. Unsecured personal property taxes are billed annually and are payable 30 days after the billing date. A lien assessed against real and personal property attaches on the first day of January preceding assessment and levy thereof.

J. Compensated Absences

Compensated absences consist of personal leave and a calculated amount of family medical leave as defined by the Federal Family and Medical Leave Act (FMLA), earned by employees based on services already rendered. Employees may accumulate up to 240 hours of personal leave depending on years of service, but any personal hours in excess of the maximum amount that are unused by the calendar year-end are converted to family medical leave. Generally, family medical leave benefits provide for qualifying FMLA events and are cumulative but do not vest with employees and therefore, are not accrued. However, upon retirement, County employees with accumulated family medical leave in excess of 1,000 hours are entitled to a $3,000 bonus. The amount of such bonuses is accrued in the liability recorded for compensated absences.

The amount of compensated absences expected to be paid by available financial resources is recorded as a current liability at June 30 in the Governmental Funds. The remaining noncurrent amount of compensated absences of the Governmental Funds is recorded in the General Long-Term Debt Account Group. Vested compensated absences of the Proprietary Funds are recorded as expenses and liabilities of those funds as the benefits accrue to employees. See Note 12 - Employee Compensation Payable for more information.

K. Total Columns on Combined Statements

The total columns on the combined statements are captioned "Memorandum Only" to indicate the aggregate of the columnar statements by fund type and account group. The data in these columns does not present financial position; results of operations or cash flows in conformity with generally accepted accounting principles and are not comparable to a consolidation. Interfund eliminations have not been made in the aggregation of this data.

NOTE 2 – REPORTING CHANGES

During the fiscal year 1999-00, Maricopa County established a Planning and Development Fund as a Special Revenue Fund.

NOTE 3 – BEGINNING FUND EQUITY RESTATED

The beginning fund equity of the Enterprise Funds was restated to correct an overstatement in the liability for closure and postclosure costs at June 30, 1999, in the Solid Waste Fund related to the County's landfills, as estimated costs were not adjusted for cost information existing in prior years.

Changes in Beginning Fund Equity:

	Enterprise Funds
Fund Equity at June 30, 1999, as previously reported	$ 94,414,687
Correct overstatement in liability for closure and postclosure costs	3,769,223
Fund Equity at July 1, 1999, as restated	$ 98,183,910

NOTE 4 – INDIVIDUAL FUND DEFICITS

Regional Schools (Special Revenue Fund), Research and Reporting (Special Revenue Fund), Risk Management (Internal Service Fund) and Non-AHCCCS Health Plans (Enterprise Fund) had deficits of $6,400, $140,051, $23,102,947 and $3,143,815, respectively, at June 30, 2000. For all of these funds except the Risk Management Fund, the deficits resulted from operations during the year and are expected to be corrected through normal operations in fiscal year 2000-01. The Risk Management Fund deficit is the result of the County Board of Supervisors electing to not fund the Risk Management Fund's unpaid claims. Consequently, the Risk Management Fund only billed user departments for operating costs and administrative expenses from fiscal year 1995-96 to fiscal year 1998-99, resulting in a fund deficit of $23,321,519 at June 30, 1999. On July 1, 1999, Risk Management began billing user departments for actuarially determined paid claim estimates.

NOTE 5 – DEPOSITS AND INVESTMENTS

Arizona Revised Statutes (A.R.S.) authorize the County to invest public monies in the State Treasurer's investment pool; U.S. Treasury obligations; specified state and local government bonds; and interest-earning investments such as savings accounts, certificates of deposit, and repurchase agreements in eligible depositories. Statute requires collateral for demand deposits, certificates of deposit, and repurchase agreements at 101 percent of all deposits not covered by federal depository insurance.

County Treasurer's Investment Pool – Arizona Revised Statutes require community colleges, school districts, and other local governments to deposit certain public monies with the County Treasurer (see Note 6). Those monies are pooled with County monies for investment purposes.

At June 30, 2000, the investment pool had cash on hand of $4,500. The carrying amount of the pool's total cash in bank was $18,276,027, and the bank balance was $(811,078).

At June 30, 2000, the investments in the County Treasurer's investment pool consisted of the following:

	Reported Amount	Fair Value
U.S. government securities	$ 1,845,757,254	$ 1,845,757,254
Total	$ 1,845,757,254	$ 1,845,757,254

The investment pool's investments at June 30, 2000, are categorized below to give an indication of the level of risk assumed by the County at year-end. Category 1 includes investments that are insured or registered in the County's name, or for which the securities are held by the County or its agent in the County's name. Category 2 includes uninsured and unregistered investments for which the securities are held by the counterparty's trust department or agent in the County's name. Category 3 includes uninsured and unregistered investments for which the securities are held by the counterparty, or by its trust department or agent but not in the County's name.

	CATEGORY I	CATEGORY II	CATEGORY III	REPORTED AMOUNT	FAIR VALUE
U.S. government securities	$ 1,845,757,254	$	$	$ 1,845,757,254	$ 1,845,757,254
Total investments	$ 1,845,757,254	$	$	$ 1,845,757,254	$ 1,845,757,254

Other Deposits – At June 30, 2000, the total nonpooled cash on hand was $96,671. The carrying amount of the total nonpooled cash in bank was $31,733,239, and the bank balance was $32,207,158. Of the bank balance, $5,015,928 was covered by federal depository insurance or by collateral held by the County or its agent in the County's name and $27,191,230 was covered by collateral held by the pledging financial institution's trust department or agent in the County's name.

Other Investments - At June 30, 2000, the County's nonpooled investments consisted of the following:

	Reported Amount	Fair Value
U.S. government securities	$ 34,334,036	$ 34,334,036
Repurchase agreements	77,613,948	77,613,948
Mutual funds	27,302,380	27,302,380
Total	$ 139,250,364	$ 139,250,364

The County's nonpooled investments at June 30, 2000, are categorized below to give an indication of the level of risk assumed by the County at year-end.

	CATEGORY I	CATEGORY II	CATEGORY III	REPORTED AMOUNT	FAIR VALUE
U.S. government securities	$ 16,123,545	$ 2,347,237	$ 15,863,254	$ 34,334,036	$ 34,334,036
Repurchase agreements		77,613,948		77,613,948	77,613,948
Mutual funds (Not subject to categorization)				27,302,380	27,302,380
Total investments	$ 16,123,545	$ 79,961,185	$ 15,863,254	$ 139,250,364	$ 139,250,364

The Board of Supervisors authorized $5,824,173 of interest earned in certain other funds to be transferred to the General Fund.

A reconciliation of cash and investments to amounts shown on the Combined Balance Sheet follows:

Cash and Investments:	County Treasurer's Investment Pool	Other	Total
Cash on hand	$ 4,500	$ 96,671	$ 101,171
Carrying amount of deposits	18,276,027	31,733,239	50,009,266
Reported amount of investments	1,845,757,254	139,250,364	1,985,007,618
Total	$ 1,864,037,781	$ 171,080,274	$ 2,035,118,055

Combined Balance Sheet:

Cash in bank and on hand	$ 51,549,950
Cash and investments held by County Treasurer	1,957,488,250
Cash and investments held by Trustee	26,079,855
Total	$ 2,035,118,055

NOTE 6 – COUNTY TREASURER'S INVESTMENT POOL

Arizona Revised Statutes require community colleges, school districts, and other local governments to deposit certain public monies with the County Treasurer. The Treasurer has a fiduciary responsibility to administer those and the County monies under his stewardship. The Treasurer invests, on a pool basis, all idle monies not specifically invested for a fund or program. In addition, the Treasurer determines the fair value of those pooled investments monthly and at June 30.

The County Treasurer's investment pool is not registered with the Securities and Exchange Commission as an investment company and there is no regulatory oversight of its operations. The structure of the pool does not provide for shares and the County has not provided or obtained any legally binding guarantees to support the value of the participants' investments.

Details of each major investment classification follows.

Investment Type	Principal	Interest Rates	Maturities	Fair Value	Reported Amount
U. S. government securities	$ 1,845,757,254	5.0 – 7.0%	Up to 3 Years	$ 1,845,757,254	$ 1,845,757,254

A condensed statement of the investment pool's net assets and changes in net assets follows.

Statement of net assets	
Assets	$ 1,925,811,575
Liabilities	0
Net assets	$ 1,925,811,575
Net assets held in trust for:	
Internal participants	$ 610,903,047
External participants	1,314,908,528
Total net assets held in trust	$ 1,925,811,575
Statement of changes in net assets	
Total additions	$ 15,314,925,037
Total deductions	15,114,382,474
Net increase	200,542,563
Net assets held in trust:	
July 1, 1999	1,725,269,012
June 30, 2000	$ 1,925,811,575

NOTE 7 – ACCOUNTS RECEIVABLE

Accounts receivable balances shown on the combined balance sheet for the Enterprise Funds are stated net of allowances for uncollectibles. A summary of such receivables and related estimated uncollectibles at June 30, 2000, follows.

	ENTERPRISE FUNDS
Gross accounts receivable	$ 72,906,145
Less: estimated uncollectibles	(41,940,996)
Accounts receivable	$ 30,965,149

NOTE 8 - PROPERTY TAXES RECEIVABLE

The County Treasurer is responsible for the collection of property taxes for all governmental entities within the County. Uncollected real property taxes receivable at June 30, 2000, as determined from the records of the County Treasurer's Office, consisted of the following:

YEAR	GENERAL FUND	SPECIAL REVENUE FUNDS	DEBT SERVICE FUNDS
1999-00	$ 4,601,120	$ 1,052,896	$ 453,312
1998-99	129,004	37,551	14,641
1997-98	83,088	0	0
1996-97	73,405	133	977
1995-96	48,536	252	3,731
1994-95	28,616	1,000	36
Prior	179,495	110,725	47,432
Total	$ 5,143,264	$ 1,202,557	$ 520,129

The portion of property taxes receivable not collected within 60 days after June 30, 2000, has been deferred and, consequently, is not included in current year revenues. In addition, allowance for uncollectable taxes is considered immaterial, therefore, these amounts are not calculated and presented.

NOTE 9 – DUE FROM OTHER GOVERNMENTAL UNITS

Amounts due from other governments at June 30, 2000, of $148,311,714, include $55,092,335, $17,515,558 and $13,457,595 in state-shared revenues for sales taxes, vehicle license taxes and highway user taxes, respectively, $16,006,983 in jail tax collected by the State but not received by the County, $936,969 in rental car surcharge collected by the State but not received by the County, $30,820,079 in various Federal and State grants, and $4,849,653 due from other governments for prisoner detention and police services. The balance of $9,632,542 is comprised of miscellaneous receivables from Federal, State and Local Governments.

NOTE 10 – CHANGES IN GENERAL FIXED ASSETS

A summary of the changes in general fixed assets follows.

GENERAL FIXED ASSETS	BALANCE JULY 1, 1999	ADDITIONS	DEDUCTIONS	BALANCE JUNE 30, 2000
Land	$ 33,020,453	$	$	$ 33,020,453
Buildings	657,806,192	1,322,906	1,498,372	657,630,726
Improvements other than buildings	55,169,396	39,245		55,208,641
Machinery and equipment	209,723,708	44,558,998	8,893,751	245,388,955
Construction in progress	6,592,046	29,807,830	3,806,759	32,593,117
Total general fixed assets	$ 962,311,795	$ 75,728,979	$ 14,198,882	$ 1,023,841,892

The schedule of investment in general fixed assets by source at June 30, 2000, is as follows:

General Fund	$ 437,617,474
Capital Projects Fund	32,593,117
Special Revenue Funds:	
Air Pollution	4,643,342
Animal Control	4,055,787
Bank One Ball Park	355,291,757
Flood Control	23,355,089
Housing Department	43,985,901
Jail Operations	2,322,269
Library	8,767,256
Other Grants	17,429,283
Other Special Revenue	9,236,779
Parks and Recreation	5,621,565
Public Health	6,400,833
Recorder's Surcharge	5,182,955
Regional Schools	8,838,377
Sports Authority	22,333
Stadium District	13,123
Transportation	58,464,652
Total investment in general fixed assets	$ 1,023,841,892

NOTE 11 – PROPRIETARY FUNDS PROPERTY, PLANT AND EQUIPMENT

The Proprietary Fund type schedule of property, plant and equipment by asset class at June 30, 2000, is as follows:

ASSET CLASS	ENTERPRISE FUNDS	INTERNAL SERVICE FUNDS	TOTAL PROPRIETARY FUNDS
Land	$ 1,489,679	$ 0	$ 1,489,679
Buildings	71,108,245	379,533	71,487,778
Improvements other than buildings	1,375,385	0	1,375,385
Machinery and equipment	71,140,896	8,704,503	79,845,399
Construction in progress	7,383,352	0	7,383,352
Total property, plant and equipment	152,497,557	9,084,036	161,581,593
Accumulated depreciation	(82,259,368)	(5,433,144)	(87,692,512)
Net property, plant and equipment	$ 70,238,189	$ 3,650,892	$ 73,889,081

NOTE 12 – EMPLOYEE COMPENSATION PAYABLE

Compensated absences consist of personal leave and a calculated amount of family medical leave, as defined by the Federal Family and Medical Leave Act (FMLA), earned by employees based on services already rendered. Employees may accumulate up to 240 hours of personal leave hours, but any personal leave hours in excess of the maximum amount that are unused by the calendar year-end are converted to family medical leave. Generally, family medical leave benefits provide for qualifying FMLA events and are cumulative, but do not vest with employees and therefore, are not accrued. Personal leave and other compensated absences with similar characteristics are accrued as a liability when the benefits are earned by the employees, if the leave is attributable to past service and it is probable that the employer will compensate the employees for the benefits through paid time or some other means, such as cash payments at termination or retirement. Additionally, the liability to be recognized should be based upon these requirements:

a) Upon retirement, County employees with accumulated family medical leave in excess of 1,000 hours are entitled to a $3,000 bonus.
b) Fringe benefits related to compensated absences are susceptible to accrual.

Liabilities for personal leave and the $3,000 bonus earned by employees at June 30, 2000, were recorded in the following funds and account group:

General	$	3,186,000
Special Revenue		2,605,320
Enterprise/Internal Service		3,648,793
General Long-Term Debt		27,084,256
Total	$	36,524,369

The remaining balance of $9,317,660 is comprised of accrued payroll and employee benefits at June 30, 2000.

NOTE 13 – LONG-TERM OBLIGATIONS

Under the direction of the U.S. Department of Housing and Urban Development (HUD) Public Housing Authority GAAP Conversion Guide dated January 1, 2000, Maricopa County will no longer report a liability for the $17,973,888 of Housing Department permanent notes and interest.

The Stadium District revenue bonds payable at June 30, 1999 and 2000, in the amounts of $30,230,000 and $28,225,000 respectively, have been reclassified as Stadium District debt with governmental commitment. The City of Peoria and the City of Mesa Municipal Development Corporation issued these revenue bonds on behalf of the Stadium District. Under the Intergovernmental Agreements (IGA), the Stadium District has agreed to pay the principal and interest payments due on the bonds from Stadium District revenues. As the obligation of the Stadium District was established through these intergovernmental agreements the reclassification is considered appropriate.

A summary of changes in the general long-term obligations follows:

	BALANCE JULY 1, 1999	ISSUES/ ADDITIONS	RETIREMENTS/ DEDUCTIONS	BALANCE JUNE 30, 2000
General obligation bonds payable	$ 99,910,000	$	$ 20,315,000	$ 79,595,000
Special assessment debt with governmental commitment	867,548		208,160	659,388
Housing Department bonds payable	110,090		14,115	95,975
Housing Department permanent notes and interest	17,973,888		17,973,888	
Housing Department loans payable	2,085,653		108,669	1,976,984
Stadium District revenue bonds	28,984,685		1,280,426	27,704,259
Stadium District debt with governmental commitment	30,230,000		2,005,000	28,225,000
Capital leases payable (Note 14)	17,633,952	4,542,153	4,054,594	18,121,511
Certificates of participation payable	20,667,686		3,445,476	17,222,210
Employee compensation payable (Note 12)	24,352,492	2,731,764		27,084,256
Claims and judgements payable (Note 17B and C)	69,950,438	11,964,099	11,195,500	70,719,037
	$ 312,766,432	$ 19,238,016	$ 60,600,828	$ 271,403,620

Issues of long-term debt were as follows at June 30, 2000:

General Obligation Bonds

General obligation (G.O.) bonds are direct obligations of the County. Prior to issuance, G.O. bonds must have a majority vote approval from the residents. Principal and interest are payable from secondary property taxes levied on all taxable property within the County without limitation as to rate or amount. The bonds are generally callable and the interest payable semiannually.

DESCRIPTION	AMOUNT OF ISSUE	INTEREST RATES	MATURITY DATES	OUTSTANDING AT JUNE 30, 2000
1986 Bond Issue				
Series Series D (1993)	$ 25,575,000	4.5 - 7.5%	7-1-00/04	$ 24,000,000
1992 Refunding Bond Issue				
First Series 1992	68,500,000	4.0 – 5.4%	7-1-00/03	7,275,000
Second Series 1992	67,500,000	6.25%	7-1-00/03	58,700,000
1994 Refunding Bond Issue				
1994A Tax Exempt	9,220,000	5.0 – 5.2%	7-1-00/02	3,295,000
1995 Refunding Bond Issue	17,320,000	4.5 – 4.7%	7-1-00/02	6,640,000
	$ 188,115,000			$ 99,910,000

Special Assessment Bonds Debt With Governmental Commitment

Special Assessments Bonds are recorded in the General Long-Term Debt Account Group and payable from assessments collected from property owners benefited by the respective improvements. The proceeds were used to finance construction in these districts. While there is no legal obligation for the County to further secure the special assessment bonds of the districts below, the County has made a moral commitment to take steps necessary to prevent default.

The following special assessment districts had bonds outstanding at June 30, 2000:

Notes to the Financial Statements
(Continued)

DESCRIPTION	AMOUNT OF ISSUE	INTEREST RATES	MATURITY DATES	OUTSTANDING AT JUNE 30, 2000
Fairview Lane	$ 59,379	9.000%	1-1-01/06	$ 17,718
158th Street	73,587	9.000%	1-1-01/02	4,934
Boulder	48,813	9.000%	1-1-01/02	5,300
Grand View Manor	274,888	9.000%	1-1-01/05	46,816
East Fairview Lane	60,657	9.000%	1-1-01/07	26,894
Queen Creek Water	301,960	4.870%	7-1-00/17	271,260
White Fence Farms	185,810	9.000%	1-1-01/07	67,778
104th Place/University	83,236	9.000%	1-1-01/07	46,100
Central Avenue	301,905	9.000%	1-1-01/09	234,965
Billings Street	14,004	9.000%	1-1-01/08	7,683
	$ 1,404,239			$ 729,448

Public Housing Bonds

Housing Department Bonds, payable from Federal government subsidies, are due annually in varying principal and interest amounts.

DESCRIPTION	AMOUNT OF ISSUE	INTEREST RATE	MATURITY DATES	OUTSTANDING AT JUNE 30, 2000
AZ 9-6	$ 369,787	3.875%	11-1-00/05	$ 95,975

Housing Department Loans Payable

Housing Department loans payable at June 30, 2000, consisted of the outstanding notes below. The Department sold notes to the Federal Financing Bank. These notes will be repaid through Federal government subsidies.

DESCRIPTION	AMOUNT OF NOTE	INTEREST RATE	MATURITY DATES	OUTSTANDING AT JUNE 30, 2000
AZ 9-5	$ 180,839	6.60%	11-1-00	$ 15,838
AZ 9-9	3,112,494	6.60%	11-1-00/12	1,961,146
	$ 3,293,333			$ 1,976,984

Following is the schedule of principal and interest requirements on the Housing Department loans payable:

YEAR	PRINCIPAL	INTEREST	TOTAL
2000-01	$ 115,484	$ 130,838	$ 246,322
2001-02	106,578	122,859	229,437
2002-03	113,612	115,825	229,437
2003-04	121,110	106,327	227,437
2004-05	128,829	100,608	229,437
After 2005	1,391,371	444,121	1,835,492
	$ 1,976,984	$ 1,020,578	$ 2,997,562

Stadium District Revenue Bonds and Debt with Governmental Commitment

Stadium District Revenue Bonds are special obligations of the District. The bonds are payable solely from pledged revenues, consisting of car rental surcharges levied and collected by the Stadium District pursuant to A.R.S. §48-4234. Under the statute, the Stadium District may set the surcharge at $2.50 on each lease or rental of a motor vehicle licensed for hire, for less than one year, and designed to carry fewer than 15 passengers, regardless of whether such vehicle is licensed in the State of Arizona. The Stadium District Board of Directors initially levied a surcharge at a rate of $1.50 beginning in January 1992 and increased the surcharge to $2.50, the maximum amount permitted by statute, in January 1993. The bonds do not constitute a debt or a pledge of the faith or credit of Maricopa County, the State of Arizona, or any other political subdivision. The payment of the bonds is enforceable solely out of the pledged revenues and no owner shall have any right to compel any exercise of taxing power of the District, except for surcharges.

On May 15, 1993, the Stadium District issued $10,640,000 of Revenue Bonds Series 1993A to renovate Phoenix Municipal Stadium and construct a practice facility, and to pay off $2,731,000 of outstanding debt financed by the City of Tempe for the renovation of Tempe Diablo Stadium.

On July 1, 1993, the Stadium District issued $4,870,000 of Revenue Bonds Series 1993B to purchase Compadre Stadium.

On June 1, 1996, the Stadium District issued $9,110,000 of Revenue Bonds Series 1996 to assist in the construction of the City of Mesa HoHoKam Stadium for use by the Chicago Cubs and to assist in the construction of the City of Phoenix Maryvale Baseball Park for use by the Milwaukee Brewers.

Subordinate Debt - On June 1, 1993, the City of Peoria issued $24,160,000 of 1993 Series A Bonds on behalf of the Stadium District to construct the Peoria Sports Complex for use by the San Diego Padres and the Seattle Mariners. The Stadium District entered into an Intergovernmental Agreement ("IGA") with the City of Peoria and the City of Peoria Municipal Sports Complex Authority, pursuant to which the Stadium District has agreed to pay the principal and interest payments due on the bonds from Stadium District Revenues. Stadium District Revenues in the "Peoria Subordinate Obligation Subaccount" remain subject to the pledge and priority lien of the Stadium District Bonds.

Second Subordinate Debt - On April 1, 1996, the City of Mesa Municipal Development Corporation issued $10,000,000 of Revenue Bonds Series 1996B on behalf of the Stadium District. Pursuant to the terms of an IGA with the City of Mesa, the Stadium District will, as certain specified revenues become available in the future, repay the City of Mesa an amount equal to the debt service associated with the Series 1996B Bonds, plus certain expenses relating thereto. The calculation of available revenues under the IGA for fiscal year 2000 is $664,333 and is due and payable October 15, 2000. At June 30, 2000, the Stadium District had prepaid $563,837 to the City of Mesa toward future debt payments.

The bonds are secured solely by the City of Mesa's obligation to make payments under the lease and its pledge of excise taxes to secure such obligation. The bonds are remarketed by their remarketing agent at an annual interest rate necessary to market such bonds at prices equal to 100% of the principal amounts thereof, which is not to exceed 15%.

On March 10, 1997, the Stadium District issued $10,000,000 in Second Subordinate Capital Appreciation Net Revenue Bonds to assist in the construction of the City of Phoenix Maryvale Baseball Park for use by the Milwaukee Brewers. The bonds mature October 15, 2035. Pursuant to terms of the agreement, the Stadium District will, as certain specified revenues become available in the future, prepay the bonds. The calculation of certain specified revenues under the debt agreement for fiscal year 2000 is $664,333 and is due and payable October 15, 2000. At June 30, 2000, the value of the bonds including interest is $8,283,401, which represents the total obligation if paid on that date.

The Stadium District had the following revenue bonds outstanding at June 30, 2000:

DESCRIPTION	AMOUNT OF ISSUE	INTEREST RATES	MATURITY DATES	OUTSTANDING AT JUNE 30, 2000
Revenue Bonds				
Series 1993A	$ 10,640,000	3.90 - 5.50%	7-1-00/13	$ 10,400,000
Series 1993B	4,870,000	3.70 - 4.75%	7-1-00/03	2,640,000
Series 1996	9,110,000	5.00 - 5.75%	7-1-00/14	8,795,000
IGA Peoria Sports Complex - Series 1993A	24,160,000	4.50 - 7.70%	7-1-00/13	20,230,000
Second subordinate obligations:				
IGA Mesa Municipal Dev. Corp. Series 1996B	10,000,000	Variable, 15% maximum	10-15-01/16	8,895,000
Capital Appreciation Bonds	10,000,000	6.26 - 8.77%	10-15-35	6,669,259
	$ 68,780,000			$ 57,629,259

Certificates of Participation

Certifications of Participation represent proportionate interests in semiannual lease payments. The County's obligation to make lease payments are subject to annual appropriations being made by the County for that purpose.

On February 1, 2000, Maricopa County issued $5,300,000 of Certificates of Participation to pay for the cost of construction for the Avondale Family Health Center.

On August 1, 1996, Maricopa County issued $2,500,000 of Certificates of Participation to pay for the cost of a building for Maricopa County Regional School District 509.

On August 1, 1994, Maricopa County issued $30,000,000 of Certificates of Participation to assist in the acquisition of the County's Southeast Juvenile Court and Detention Center and its adult detention facility known as the Estrella Jail Complex.

On August 1, 1993, Maricopa County issued $3,850,000 of Certificates of Participation to assist in the acquisition, construction and equipping of the County's West Mesa Justice Court and Northwest Regional Probation Center facilities. Additionally, the proceeds were used for an advance refunding of the Certificates of Participation Series 1989 and to prepay land purchase agreements the County had previously executed with the State of Arizona.

The following Certificates of Participation were outstanding at June 30, 2000:

DESCRIPTION	AMOUNT OF ISSUE	INTEREST RATES	MATURITY DATES	OUTSTANDING AT JUNE 30, 2000
2000 Certificates of Participation	$ 5,300,000	5.500 - 6.00%	7-1-01/10	$ 5,300,000
1996 Certificates of Participation	2,500,000	5.750 - 6.25%	6-1-01/11	2,003,380
1994 Certificates of Participation	30,000,000	5.125 - 6.00%	5-25-01/04	14,285,000
1993 Certificates of Participation	3,850,000	4.800 - 5.25%	6-01-01/08	1,300,001
	$ 41,650,000			$ 22,888,381

The following is a schedule of future minimum principal and interest payments, for the above-described Certificates of Participation:

YEAR	ENTERPRISE FUNDS	GENERAL LONG-TERM DEBT ACCOUNT GROUP
2000-01	$ 839,557	$ 4,671,788
2001-02	803,826	4,579,683
2002-03	803,860	4,580,727
2003-04	805,447	4,482,259
2004-05	760,958	326,120
After 2005	3,752,911	1,750,445
Total principal and interest payments	7,766,559	20,391,022
Amount representing interest	(2,100,388)	(3,168,812)
Total Certificates of Participation payable at June 30, 2000	$ 5,666,171	$ 17,222,210

The following fixed assets are currently associated with the Certificates of Participation:

	ENTERPRISE FUNDS	GENERAL FIXED ASSETS ACCOUNT GROUP
Land	$ 1,084,430	$
Juvenile Court		30,000,000
Justice Court/Probation Center Buildings		2,765,570
Avondale Family Health Center	155,617	
Pappas School Building		2,500,000
	$ 1,240,047	$ 35,265,570

Refunded and Refinanced Obligations

Future debt service on refunded bonds has been provided through advanced refunding bond issues whereby refunding bonds are issued and the net proceeds, plus any additional resources that may be required, are used to purchase securities issued or guaranteed by the United States government. These securities are then deposited in an irrevocable trust under an escrow agreement which states that all proceeds from the trust will be used to fund the principal and interest payments of the previously issued debt being refunded. The trust deposits have been computed so that the securities in the trust, along with future cash flows generated by the securities, will be sufficient to service the previously issued bonds.

The proceeds of the refunding issues have been placed in irrevocable trusts and invested in U.S. Treasury obligations that, together with the interest earned thereon, will provide amounts sufficient for future payment of principal and interest of the issues refunded.

The outstanding balance of the refunded debt and the related assets held in trust at June 30, 2000, is not included in the accompanying financial statement.

General Obligation Bonds	Date Refunded	Remaining Amount Outstanding
Project of 1986, Series B	2/1/92	$ 8,000,000
Project of 1986, Series C	2/1/92	9,000,000
Project of 1986, Series C	8/1/92	58,000,000
Total Refunded Bonds Outstanding		$ 75,000,000

Legal Debt Margin

County indebtedness may not exceed six percent of the value of the County's taxable property ascertained by the last assessment. However, with voter approval, the County may become indebted for an amount not to exceed 15 percent of such taxable property. At June 30, 2000, the County's net bonded debt was $79,595,000, (0.43% of taxable property), while the six percent limit was $1,120,609,851 and the 15 percent limit was $2,801,524,627.

Debt Service Requirements

The County's debt service principal and interest requirements to maturity on all General Obligation, Special Assessment, Housing Department and Stadium District bond issues are as follows:

Fiscal Year	General Obligation	Special Assessment	Housing Department	Stadium District	Total Debt Service
2000-01	$ 25,941,675	$ 98,640	$ 17,560	$ 4,357,155	$ 30,415,030
2001-02	22,160,035	102,696	19,781	4,345,683	26,628,195
2002-03	21,515,750	66,578	16,356	4,346,105	25,944,789
2003-04	20,975,000	92,292	18,578	4,347,300	25,433,170
2004-05		108,759	17,921	4,351,295	4,477,975
After 2005		492,796	17,264	41,796,423	42,306,483
	$ 90,592,460	$ 961,761	$ 107,460	$ 63,543,961	$ 155,205,642
Less Interest	(10,997,460)	(302,373)	(11,485)	(23,178,961)	(34,490,279)
	$ 79,595,000	$ 659,388	$ 95,975	$ 40,365,000	$ 120,715,363

The principal and interest on the Second Subordinate Capital Appreciation Net Revenue Bonds ($6,669,259) and the IGA City of Mesa Municipal Development Corporation Revenue Bonds Series 1996B ($8,895,000) have been excluded from the above schedule as the timing of the repayments cannot be determined due to these bonds having variable interest rates and other factors affecting future payments.

Conduit Debt Obligations

Maricopa County issues revenue bonds on behalf of private sector entities to provide financial assistance for projects deemed to be of public interest. Neither the principal, accrued interest or premium, if any shall ever constitute an indebtedness of the County or State of Arizona or any political subdivision, nor shall it be a liability or a charge against the general credit or taxing powers. Accordingly, the bonds are not reported as liabilities in the accompanying financial statements.

As of June 30, 2000, there were three revenue bonds outstanding, with an aggregate principal amount payable of $132,570,000.

NOTE 14 – OBLIGATIONS UNDER LEASES

A. Operating Leases – The County's operating leases are for office equipment, land and buildings. Rental expenses under the terms of these operating leases were $14,917,844 for the year ended June 30, 2000. These operating leases have remaining lease terms from one to twelve years. Also, they provide renewal options and are contingent on budgetary appropriations each fiscal year. The future minimum rental payments required under these operating leases as of June 30, 2000, are as follows:

YEAR	GENERAL FUND	SPECIAL REVENUE FUNDS	ENTERPRISE FUNDS	TOTAL
2000-01	$ 8,445,901	$ 1,874,970	$ 1,466,733	$ 11,787,604
2001-02	6,757,636	1,290,801	1,399,035	9,447,472
2002-03	5,986,655	747,176	818,623	7,552,454
2003-04	4,705,276	723,719	168,744	5,597,739
2004-05	3,104,486	247,517	150,101	3,502,104
Thereafter	7,402,355	235,061	0	7,637,416
Total minimum payments required	$ 36,402,309	$ 5 119,244	$ 4,003,236	$ 45,524 789

B. Capital Leases - The County has entered into various lease-purchase agreements, which are noncancellable, for the acquisitions of the following equipment:

	ENTERPRISE FUNDS	GENERAL FIXED ASSETS ACCOUNT GROUP
Computer Systems and Equipment	$	$ 8,094,090
Data Communications Equipment		235,464
Medical Equipment and Furniture	2,361,799	112,336
Modular Buildings and Improvements		3,905,953
Optical Scan Counter		4,212,000
Radio System		9,490,995
Sheriff's Helicopters		4,064,699
Telephone Systems		294,092
Total Fixed Assets	2,361,799	30,409,629
Accumulated Depreciation	(1,704,656)	
Net Value of Leased Fixed Assets	$ 657,143	$ 30,409,629

These lease-purchase agreements require the County to pay all maintenance costs. At the time of the final principal and interest payments, title to the leased equipment transfers to the County. These leases are contingent on budgetary appropriations each fiscal year. The assets are capitalized at total principal cost.

The following is a schedule of future minimum lease payments for the above-described capital leases:

YEAR	ENTERPRISE FUNDS	GENERAL LONG-TERM DEBT ACCOUNT GROUP
2000-01	$ 400,278	$ 4,880,881
2001-02	232,792	3,498,992
2002-03	0	3,014,194
2003-04	0	2,546,944
2004-05	0	2,485,438
Thereafter	0	4,909,009
Total minimum lease payments	633,070	21,335,458
Amount representing interest	(24,276)	(3,213,947)
Present value of net minimum lease payments	$ 608,794	$ 18,121,511

NOTE 15 – MUNICIPAL LANDFILL CLOSURE AND POSTCLOSURE CARE COSTS

State and Federal laws and regulations require Maricopa County to place a final cover on the eight County landfills (this includes three transfer stations) when they stop accepting waste and to perform specific maintenance and monitoring functions at the site for thirty years after closure. The County reports a portion of closure and postclosure care costs as an operating expense, based on capacity used during the fiscal year. In addition, a liability will be reported based on the total capacity used to date. At June 30, 2000, the operating expense and liability are as follows:

	CAVE CREEK	QUEEN CREEK	HASSAYAMPA PHASE 1	NEW RIVER	GILA	TRANSFER STATIONS	TOTAL
CLOSURE COSTS							
Total closure and post-closure costs	$ 3,087,701	$ 5,596,469	$ 1,429,434	$ 1,131,300	$ 777,323	$ 504,050	$ 12 526 277
Approximate total capacity (cubic yards)	5,320,000	3,346,000	2 683 200	530 936	258,720		12 138 856
Total cost per cubic yard		$ 7 17					
WASTE FLOW (Cubic Yards)							
Prior to fiscal year 1999-00	5,320,000	3,190,000	2,683,200	530,936	258,720		11 982 856
Fiscal Year 1999-00	0	78 000	0	0	0		78 000
Total waste received	5,320,000	3 268 000	2 683,200	530 936	258 720		12,060 856
Capacity used	100.00%	97 61%	100 00%	100 00%	100 00%		99 35%
ACCRUAL OF COSTS							
Prior to fiscal year 1999-00	$ 3,828,000	$ 4,373,731	$ 1 870,000	$ 1,293,500	$ 717,000	$ 3,094 000	$ 15,176,231
Fiscal year 1999-00	0	559,635	0	0	0	0	559,635
Adjustment of liability for revised estimate of closure costs	(740,299)	103 469	(440,566)	(162,200)	60,323	(2 589 950)	(3 769,223)
Total costs accrued at June 30, 2000	$ 3,087,701	$ 5,036,835	$ 1 429 434	$ 1 131,300	$ 777 323	$ 504 050	$ 11,966,643
REMAINING CAPACITY AND COSTS							
Remaining life in years	0	1	0	0	0	0	
Remaining capacity (cubic yards)	0	78,000	0	0	0	0	78,000
Remaining costs to accrue	$ 0	$ 559 634	$ 0	$ 0	$ 0	$ 0	$ 559 634

Accrued liabilities of $11,966,643 have been reduced by $2,993,155 for actual closure and postclosure care costs incurred. The total estimated cost for closure and postclosure care was reduced by $3,769,223 during fiscal year 1999-00. This revision was due to the closure costs of the closed landfills being lower than originally estimated. The revised accrued liability balance at June 30, 2000, for the Solid Waste Enterprise Fund is $8,973,488.

The County will recognize the remaining estimated cost of closure and postclosure care costs of $559,634 as the remaining estimated capacity is filled. These amounts are based on what it would cost to perform all closure and postclosure care in fiscal year 1999-00. The actual cost to close the sites may differ from the estimates due to changes in technology, inflation, or changes in regulations. The estimated costs to be incurred in future fiscal years is as follows:.

YEAR	CLOSURE	POSTCLOSURE	TOTAL
2000-01	$ 4,106,542	$ 119,995	$ 4,226,537
2001-02	0	169,175	169,175
2002-03	0	169,175	169,175
2003-04	0	169,175	169,175
2004-30	0	4,799,060	4,799,060
Total	$ 4,106,542	$ 5,426,580	$ 9,533,122

Effective September 1, 1997, State and Federal laws and regulations require that the County demonstrate financial assurance to ensure that the funds necessary to meet the costs of closure, postclosure care, and corrective action will be available when needed. The County is in compliance with these requirements.

NOTE 16 – RISK MANAGEMENT

The Risk Management Fund and the Employee Benefits Trust Fund (Internal Service Funds) account for the financing of the uninsured risk of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; natural disasters; and short-term disability to eligible employees. Also, prior to January 1, 1998, the County was liable for a portion of medical benefits to eligible employees and their dependents. Subsequent to January 1, 1998, all employee medical benefits are provided through commercial insurance coverage. The County is still liable for claims filed under the previous medical coverage.

The County carries commercial insurance for general and automobile liability in excess of $1,000,000 per occurrence and medical malpractice liability in excess of $1,000,000 per occurrence. Settled claims have not exceeded this commercial coverage since the inception of these insurance policies.

Payment of workers' compensation benefits is self-funded up to $250,000 per occurrence.

Liabilities for unpaid claims are estimates determined by an independent actuary using the following actuarial methods: incurred loss development, paid loss development, frequency/severity, exposure/loss rate (incurred losses), and the exposure/loss rate (paid losses). Accrued actuarial liabilities are based on a discounted 55 percent confidence level assuming a 5.27 percent annual rate of return on future investment income. Accrued actuarial liabilities at June 30, 2000, for each insurable area follows.

General liability	$ 16,660,089
Automobile liability	857,364
Malpractice	16,812,189
Workers' compensation	8,388,464
Property reserve	245,725
Auto physical damage reserve	66,793
Subtotal	43,030,624
Employee health and disability claims	169,167
Total	$ 43,199,791

Changes in the unpaid claims liability reported in the Risk Management Fund follows.

YEAR	BALANCE JULY 1	CURRENT-YEAR CLAIMS AND CHANGES IN ESTIMATE	CLAIM PAYMENTS	BALANCE JUNE 30
1997-98	$ 26,957,623	$ 11,581,577	$ (8,166,303)	$ 30,372,897
1998-99	30,372,897	19,724,588	(9,325,467)	40,772,018
1999-00	40,772,018	10,779,261	(8,520,655)	43,030,624

NOTE 17 – CONTINGENT LIABILITIES

A. General Litigation - At June 30, 2000, there were lawsuits and claims pending against the County including interest and costs of litigation ranging from a probable/possible loss of $23,319,383 to a remote loss of $40,769,383 depending upon the outcome of the litigation. A total of $42,718,106 has been accrued in the liability for reported and incurred but not reported claims for general liability, automobile liability, malpractice and workers' compensation claims in the Risk Management Fund based on the actuary calculation. See Note 16 - Risk Management for more information.

B. Indigent Health Care Litigation - At June 30, 2000, there were lawsuits and claims pending against the County in the amount of $128,356,539 for Indigent Health Care. The County has accrued a liability of $1,500,000 in the County General Fund (in accrued liabilities) at June 30, 2000, and $46,169,037 in the General Long-Term Debt Account Group (in Claims and Judgements Payable) in accordance with GASB 10 - Accounting and Financial Reporting for Risk Financing and Related Insurance Issues.

C. Environmental Claims - The County has estimated and recorded a probable liability of $24,550,000 in the General Long-Term Debt Account Group in Claims and Judgements Payable for claims resulting from environmental hazards such as illegal dumping by previous landowners and tenants. There is a potential incremental liability of $126,450,000, which is contingent upon the extent to which additional environmental contamination is found. The County is researching historical records and performing investigations to identify the previous landowners and parties who are responsible for the environmental hazards.

NOTE 18 – CONTRIBUTED CAPITAL

Changes in proprietary fund type contributed capital for the year are summarized as follows:

	CONTRIBUTED CAPITAL AT JULY 1, 1999	ADDITIONS	DEDUCTIONS	CONTRIBUTED CAPITAL AT JUNE 30, 2000
ENTERPRISE FUNDS				
Maricopa Health Plan	$ 590,079	$	$	$ 590,079
Medical Center	47,951,622	34,121,505		82,073,127
ALTCS	4,814			4,814
Non-AHCCCS Health Plans	9,401			9,401
Solid Waste	10,791,231			10,791,231
Total	$ 59,347,147	$ 34,121,505	$	$ 93,468,652
INTERNAL SERVICE FUNDS				
Equipment Services	$ 14,744,048	$	$	$ 14,744,048
Telecommunications	1,079,758			1,079,758
Reprographics	291,348			291,348
Risk Management	2,886,478			2,886,478
Employee Benefits Trust	30,445			30,445
Sheriff Warehouse	600,330			600,330
Total	$ 19,632,407	$	$	$ 19,632,407

NOTE 19 – MEDICAL CENTER OPERATING REVENUE

Medical Center operating revenue is reported net of the following deductions:

Gross patient service revenue	$ 356,919,201
Allowance for uncollectible accounts	(37,608,354)
Indigent patient write-off	(79,036,580)
Contractual and administrative adjustments	(59,040,295)
Cost containment contractual adjustments	(83,947,170)
Total net patient revenue	157,286,802
Charges for services	15,554,098
Total charges for services	15,554,098
Disproportionate share settlement	68,636,100
Disproportionate share distributions	(55,495,800)
Miscellaneous	1,683,396
Total other revenue	14,823,696
Total operating revenue	$ 187,664,596

NOTE 20 – RESIDUAL EQUITY TRANSFERS

During fiscal year 1999-00, ALTCS transferred fund balance in excess of reserve requirements to the General Fund in the amount of $34,121,505. The General Fund transferred $34,121,505 to the Medical Center to cover account deficits.

FUND	DESCRIPTION	EQUITY TRANSFER-IN	EQUITY TRANSFER OUT
General Fund			
	Surplus From ALTCS	$ 34,121,505	$
	Transfer To Medical Center For Deficit		34,121,505
Enterprise Funds			
ALTCS	Transfer Surplus To General Fund		34,121,505
Medical Center	Transfer From General Fund To Cover Deficit	34,121,505	

In addition, there were transfers to the General Fixed Assets Account Group in the amount of $1,052,495 from Telecommunications (Internal Service Fund).

NOTE 21 – INTERFUND RECEIVABLES, PAYABLES, AND TRANSFERS

The interfund receivables, payables, and operating transfers by fund are as follows:

Notes to the Financial Statements
(Continued)

FUNDS	DUE FROM OTHER FUNDS	DUE TO OTHER FUNDS	OPERATING TRANSFERS IN	OPERATING TRANSFERS OUT
GENERAL	$ 75,378,475	$	$ 633,662	$ 151,792,199
SPECIAL REVENUE				
Transportation				473,079
Flood Control	7,722			
Adult Probation Grants		8,398,659		10,572
Human Services Grants		587,624		
Public Health				353,461
Air Pollution				234,941
CDBG Housing Trust		46,648		
Library	1,175			3,193
Stadium District		1,501		5,489,334
Bank One BallPark Operations	3,769			517,168
Animal Control		73,568	60,000	6,973
Adult Probation Services	460,130			
County Attorney Grants		255,608		
Document Retrieval	93,501			
Jail Operations	191,081		94,930,610	105,606,875
Justice Court Enhancement	38,287			
Justice Court Judicial Enhancement	40,284			
Parks Enhancement			25,000	
Parks Souvenir				25,000
Parks Lake Pleasant				145,769
Planning and Development				49,682
Public Defender Training		33,692		
Public Health Pharmacy			37,220	34,688
Recorders Surcharge	108,390			
Research and Reporting		124,390		1,259
Sheriff Grants		257,283		3,750,000
Sheriff Inmate Health Services		3,071		
Sheriff Special Funding		505,050		
DEBT SERVICE				
General Obligation	2,982		3,134,566	
Stadium District			5,489,334	
CAPITAL PROJECTS				
Major League Stadium		2,268		
Bank One Ballpark Project Reserve			517,168	
Jail Construction Fund			105,606,875	
Intergovernmental			48,725,000	
ENTERPRISE				
Medical Center		28,237,676	10,207,901	1,127,826
ALTCS		34,121,505		
Non-AHCCCS Health Plans		596,226	616,200	64,220
Solid Waste				297,297
INTERNAL SERVICE				
Sheriff Warehouse		543,030		
AGENCY				
Property Tax Collection		719,805		
Special Purpose		2,478,127		
TRUST				
Treasurer's Investment Pool	659,935			
Total	$ 76,985,731	$ 76,985,731	$ 269,983,536	$ 269,983,536

NOTE 22 – BUDGETARY BASIS OF ACCOUNTING

The adopted budget of the County is prepared on a basis consistent with generally accepted accounting principles with certain exceptions. The activity in Sports Authority, Street Lighting, Regional Schools, Taxpayers' Information, Regional School District 509, and Regional School District 512 (Special Revenue Funds); Special Assessment Fund (Debt Service Fund) and Bond Fund (Capital Projects Fund) were not specifically budgeted, but were presented as separate funds for financial statement presentation. The capital lease expenditures and the proceeds from the capital leases within the General Fund were not specifically budgeted. In addition, General Fund indirect cost recoveries and disproportionate share settlement payments were budgeted as both operating transfers in and expenditures and therefore, these amounts were also reported on the combined budget statement. However, these activities were eliminated on the Combined Statement of Revenues, Expenditures and Changes in Fund Balances.

The following reconciliation is necessary to present the excess of revenues and other sources over expenditures and other uses from the Combined Statement of Revenues, Expenditures and Changes in Fund Balances on a budgetary basis to provide a more meaningful comparison.

	GENERAL	SPECIAL REVENUE	DEBT SERVICE	CAPITAL PROJECTS
Excess (deficiency) of revenues and other sources over expenditures and other uses, from the Combined Statement of Revenues, Expenditures and Changes in Fund Balances	$ 13,719,336	$ (16,381,968)	$ (1,232,262)	$ 131,667,014
Capital lease expenditures	4,542,153			
Proceeds from capital leases	(4,542,153)			
Indirect cost adjustment – operating transfers in	(6,855,046)			
Indirect cost adjustment – expenditures	6,855,046			
Disproportionate Share Payment – operating transfers in	(55,495,800)			
Disproportionate Share Payment – expenditures	55,495,800			
Regional Schools Fund revenues		(601,559)		
Regional Schools Fund expenditures		742,409		
Street Lighting Fund revenues		(4,652,498)		
Street Lighting Fund expenditures		4,459,384		
Sports Authority Fund revenues		(581,420)		
Sports Authority Fund expenditures		529,376		
Taxpayers' Information Fund revenues		(131,682)		
Taxpayers' Information Fund expenditures		938		
Regional School District 509 Fund revenues		(13,862,078)		
Regional School District 509 Fund expenditures		15,175,177		
Regional School District 512 Fund revenues		(575,594)		
Regional School District 512 Fund expenditures		837,534		
Special Assessment Fund revenues			(280,976)	
Special Assessment Fund expenditures			273,238	
Bond Fund revenues				(53,726)
Excess (deficiency) of revenues and other sources over expenditures and other uses, from the Combined Statement of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual	$ 13,719,336	$ (15,041,981)	$ (1,240,000)	$ 131,613,288

NOTE 23 – DISPROPORTIONATE SHARE SETTLEMENT

Section 1923 of the Social Security Act establishes Federal requirements designed to aid entities that provide medical services to a disproportionate share of medically indigent patients. These requirements were met for the year ended June 30, 2000, through disproportionate share settlements established by Laws 1999, First Special Session, Chapter 1 (Laws 1999). AHCCCS was directed to distribute such settlements based on various qualifying criteria and allocation processes. Laws 1999 appropriated the disproportionate share settlement amounts to be distributed to the hospitals for the year ended June 30, 2000. The Medical Center's share of the settlement for the year ended June 30, 2000, totaled $68,636,100. However, Laws 1999, First Regular Session, Chapter 176 also mandated the reimbursement of a portion of the disproportionate share settlement through the State Treasurer to the State General Fund. Required reimbursements totaled $55,495,800 for the year ended June 30, 2000.

NOTE 24 – SEGMENT INFORMATION ON ENTERPRISE FUNDS

The County operates the following Enterprise Funds: Maricopa Health Plan, Medical Center, Arizona Long-Term Care System (ALTCS), Maricopa County Health Plans (Non-AHCCCS), and Solid Waste. Segment information for the year ended June 30, 2000 is as follows:

	MARICOPA HEALTH PLAN	MEDICAL CENTER	ALTCS	NON-AHCCCS HEALTH PLANS	SOLID WASTE	TOTAL ENTERPRISE FUNDS
Operating revenues	$ 70 552,611	$ 187,664,596	$ 271,009,553	$ 30,719,901	$ 918 558	$ 560 865,219
Depreciation, depletion, and amortization expense	65,297	7,528,873	124,601	1,056	446 241	8 166,068
Operating income (loss)	(45,222)	(18 811,589)	19 110,424	(1,723 943)	(472 522)	(1,942,852)
Operating grants		4,147,774		926,001		5,073 775
Operating transfers						
Transfers in		10,207,901		616,200		10,824,101
Transfers out		(1,127,826)		(64,220)	(297,297)	(1,489,343)
Net income (loss)	974,822	(8 134,280)	25,396,361	(169,867)	57,698	18 124,734
Fund Equity						
Change in contributed capital		34 121,505				34,121,505
Residual equity transfer out			(34,121,505)			(34,121,505)
Property, plant and equipment						
Additions		10,947,533	136,463			11,083,996
Deletions					24,737	24,737
Net working capital	17,501,851	(15 469,282)	44,523,913	(3,144,250)	8,172,235	51,584,467
Total assets	28,729 052	107,187,252	116,316,947	628,823	19,542,395	272 404,469
Total equity (deficit)	17,566,897	47 638,892	44,778,361	(3,143,815)	9,468,309	116,308,644

NOTE 25 – EXCESS OF EXPENDITURES OVER BUDGET IN INDIVIDUAL FUNDS

The following governmental fund types had excess of actual expenditures and other financing uses over budgeted expenditures and other financing uses in their respective departments or funds for the year ended June 30, 2000:

GENERAL FUND	
Animal Control	$ 7,296
SPECIAL REVENUE FUNDS	
County Attorney Grants	318,877
Park Souvenir	19,588
Sheriff Special Funding	994,826
CAPITAL PROJECTS FUND	
Bank One Ballpark Project Reserve	34,295

NOTE 26 – CONSTRUCTION AND OTHER SIGNIFICANT COMMITMENTS

At June 30, 2000, Maricopa County had the following major contractual commitments related to various capital projects. Commitments have been grouped into four major categories: Transportation Construction Projects, Flood Control Construction Projects, Construction and Maintenance of Adult and Juvenile Jail Facilities, and General Government Projects.

Transportation Construction Projects

At June 30, 2000, the Maricopa County Transportation Department had contractual commitments of $11,564,219 of construction of various highway projects. Funding for these expenditures will be provided from Highway User Fuel Tax, the primary source of revenue for the Transportation Department.

Flood Control Construction Projects

At June 30, 2000, the Maricopa County Flood Control District had contractual commitments of $76,251,000 for the construction of various flood control projects. Funding for these expenditures will be provided from the Flood Control District's tax levy of property within Maricopa County, the primary source of revenue for the Flood Control District.

Construction and Maintenance of Adult and Juvenile Jail Facilities

On November 3, 1998, at the general election, the voters approved a 1/5 of one-cent sales tax to begin January 1, 1999, for the construction and maintenance of adult and juvenile jail facilities. The tax shall continue in effect until $900,000,000 of revenue is collected, but in no event more than nine years. At June 30, 2000, Maricopa County had contractual commitments of $37,800,000.

General Government Projects

At June 30, 2000, Maricopa County had the following contractual commitments related to major capital projects:

PROJECT NAME	CONTRACTUAL COMMITMENT	FUNDING SOURCE
Medical Examiner Facility	$ 2,864,515	General Fund
Jackson Street Parking Garage	20,789,483	General Fund
Justice Court Facilities	964,493	General Fund
Major Maintenance Projects	279,285	General Fund
Total	$ 24,897,776	

NOTE 27 – EMPLOYEE RETIREMENT PLANS

Plan Descriptions

The County contributes to the four retirement plans described below. Benefits are established by state statute and generally provide retirement, death, long-term disability, survivor, and health insurance premium benefits.

The Arizona State Retirement System (ASRS) administers a cost-sharing multiple-employer defined benefit pension plan that covers general employees of the County. The ASRS is governed by the Arizona State Retirement System Board according to the provisions of Arizona Revised Statutes Title 38, Chapter 5, Article 2.

The Public Safety Personnel Retirement System (PSPRS) (Sheriff and Investigators) is an agent multiple-employer defined benefit pension plan that covers public safety personnel who are regularly assigned hazardous duty as employees of the State of Arizona or one of its political subdivisions. The PSPRS, acting as a common investment and administrative agent, is governed by a five member board, known as The Fund Manager, and 181 local boards according to the provisions of Arizona Revised Statutes Title 38, Chapter 5, Article 4.

The Corrections Officer Retirement Plan (CORP) is an agent multiple-employer defined benefit pension plan that covers certain employees of the State of Arizona, Departments of Corrections and Juvenile Corrections, and for County employees whose primary duties require direct inmate contact. The CORP is governed by The Fund Manager of PSPRS and 12 local boards according to the provisions of Arizona Revised Statutes Title 38, Chapter 5, Article 6.

The Elected Officials Retirement Plan (EORP) is a cost-sharing multiple-employer defined benefit pension plan that covers elected officials and judges of certain state and local governments. The EORP is governed by The Fund Manager of PSPRS according to the provisions of Arizona Revised Statutes Title 38, Chapter 5, Article 3.

Financial Reports

Each plan issues a publicly available financial report that includes its financial statements and required supplementary information. A report may be obtained by writing or calling the applicable plan.

ASRS	PSPRS, CORP, EORP
3300 N. Central Ave. P.O. Box 33910 Phoenix, AZ 85067-3910	1020 E. Missouri Ave. Phoenix, AZ 85014
(602) 240-2000 or (800) 621-3778	(602) 255-5575 www.psprs.com

Funding Policy

The Arizona State Legislature establishes and may amend active plan members' and the County's contribution rates.

Cost Sharing Plans - For the year ended June 30, 2000, active ASRS members and the County were each required by statute to contribute at the actuarially determined rate of 2.66 percent (2.17 percent retirement and 0.49 percent long-term disability) of the members' annual covered payroll. The County's contributions to ASRS for the years ended June 30, 2000, 1999, and 1998 were $9,916,689, $10,878,700 and $10,923,244, respectively, which were equal to the required contributions for the year.

In addition, active EORP members were required by statute to contribute 7.00 percent of the members' annual covered payroll. The County was required to remit a designated portion of court docket fees plus additional contributions of .73 percent of the member's annual covered payroll, as determined by actuarial valuation. The County's contributions to EORP for the years ended June 30, 2000, 1999, and 1998 were $2,488,516, $2,522,642 and $2,402,300, respectively, which were equal to the required contributions for the year.

Agent Plans - For the year ended June 30, 2000, active PSPRS (Maricopa County Sheriff's) members were required by statute to contribute 7.65 percent of the members' annual covered payroll, and the County was required to contribute at the actuarially determined rate of 4.68 percent, whereas, active PSPRS (Maricopa County Attorney Investigators) members were required by statute to contribute 7.65 percent of the members' annual covered payroll, and the County was required to contribute at the actuarially determined rate of 6.69 percent. Active CORP members were required by statute to contribute 8.50 percent of the members' annual covered payroll, and the County was required to contribute at the actuarially determined rate of 5.14 percent.

Annual Pension Cost - The County's pension cost for the two agent plans for the year ended June 30, 1999, the date of the most recent actuarial valuation, and related information follow.

	PSPRS		CORP
	(Sheriff)	(Investigators)	
Contribution rates:			
County	4.75%	9.17%	6.21%
Plan members	7.65%	7.65%	8.50%
Annual pension cost	$1,133,097	$64,104	$2,110,871
Contributions made	$1,133,097	$64,104	$2,110,871
Actuarial valuation date	6/30/99	6/30/99	6/30/99
Actuarial cost method	Entry Age	Entry Age	Entry Age
Actuarial assumptions:			
Investment rate of return	9%	9%	9%
Projected salary increases includes inflation at	6.5% - 9.5%/5.5%	6.5% - 9.5%/5.5%	5.5% - 9.5%/5.5%
Cost of living adjustments	None	None	None
Amortization method	Level % Open	Level % Open	Level % Open
Remaining amortization period from 7/1/99	20 Years	20 Years	20 Years
Asset valuation method	4 year smoothed market	4 year smoothed market	4 year smoothed market

Trend Information - Information for each of the agent plans as of the most recent actuarial valuations for the past three fiscal years available follows.

	Contributions Required and Contributions Made		
Plan	Annual Pension Cost (APC)	Percentage of APC Contributed	Net Pension Obligation
Year Ended June 30, 1999			
PSPRS (Sheriff)	$ 1,133,097	100.0%	$ 0
PSPRS (Investigators)	$ 64,104	100.0%	$ 0
CORP	$ 2,110,871	100.0%	$ 0

	Contributions Required and Contributions Made		
Plan	Annual Pension Cost (APC)	Percentage of APC Contributed	Net Pension Obligation
Year Ended June 30, 1998			
PSPRS (Sheriff)	$ 1,518,411	100.0%	$ 0
PSPRS (Investigators)	$ 95,998	100.0%	$ 0
CORP	$ 2,173,976	100.0%	$ 0

Plan	Contributions Required and Contributions Made: Annual Pension Cost (APC)	Percentage of APC Contributed	Net Pension Obligation
Year Ended June 30, 1997			
PSPRS (Sheriff)	$ 1,601,746	100.0%	$ 0
PSPRS (Investigators)	$ 82,446	100.0%	$ 0
CORP	$ 2,216,451	100.0%	$ 0

Funding Progress - Analysis of funding progress for each of the agent plans as of the most recent actuarial valuations for the past three fiscal years available follows.

PSPRS

Valuation Date June 30	(1) Actuarial Value of Plan Assets	(2) Entry Age Actuarial Accrued Liability (AAL)	(3) Funding (Liability) Excess (1) - (2)	(4) Percent Funded (1)/(2)	(5) Annual Covered Payroll	(6) Unfunded Liability as a Percentage of Covered Payroll (3)/(5)
Sheriff						
1999	$145,193,704	$119,873,021	$ 25,320,683	121.1%	$ 24,017,617	N/A
1998	$126,691,889	$106,256,065	$ 20,435,824	119.2%	$ 21,060,363	N/A
1997	$116,857,295	$ 97,638,165	$ 19,219,130	119.7%	$ 19,493,822	N/A

Valuation Date June 30	(1) Actuarial Value of Plan Assets	(2) Entry Age Actuarial Accrued Liability (AAL)	(3) Funding (Liability) Excess (1)-(2)	(4) Percent Funded (1)/(2)	(5) Annual Covered Payroll	(6) Unfunded Liability as a Percentage of Covered Payroll (3)/(5)
Investigators						
1999	$ 3,946,187	$ 3,703,175	$ 243,012	106.6%	$ 694,447	N/A
1998	$ 3,267,429	$ 3,240,679	$ 26,750	100.8%	$ 648,700	N/A
1997	$ 2,943,085	$ 3,223,318	$ (280,233)	91.3%	$ 813,878	34.4%

CORP

Valuation Date June 30	(1) Actuarial Value of Plan Assets	(2) Entry Age Actuarial Accrued Liability (AAL)	(3) Funding (Liability) Excess (1)-(2)	(4) Percent Funded (1)/(2)	(5) Annual Covered Payroll	(6) Unfunded Liability as a Percentage of Covered Payroll (3)/(5)
1999	$ 84,036,931	$ 62,186,176	$ 21,850,755	135.1%	$ 34,908,470	N/A
1998	$ 68,701,567	$ 59,894,176	$ 8,807,391	114.7%	$ 31,894,069	N/A
1997	$ 56,105,909	$ 52,703,436	$ 3,402,473	106.5%	$ 32,374,878	N/A

NOTE 28 – OTHER POST-EMPLOYMENT BENEFITS

In addition to the pension benefits described in Note 27 - Employee Retirement Plans, Maricopa County offers the following post-employment benefits to terminated and retired employees:

In accordance with Public Law 99-272, (COBRA), Maricopa County provides continued group medical and dental benefits to terminated employees for a period not to exceed 18, 29, or 36 months, depending upon the type of qualifying event that occurred. To be eligible, an employee must be enrolled in the insurance plan on the day prior to the qualifying event. The beneficiary pays 100 percent of the premium and an administration charge equal to two percent of the premium. Maricopa County's dental and medical insurance carriers, Health Select, Cigna, United Dental Care and Delta Dental accept the risk for COBRA claims. However, Maricopa County is financially liable for claims in excess of premiums (up to stop loss) filed by those beneficiaries enrolled with Blue Cross/Blue Shield. Maricopa County terminated its contract with Blue Cross/Blue Shield on December 31, 1997. During the fiscal year ended June 30, 2000, Maricopa County had a net claims expense for Blue Cross/Blue Shield run off claims of $6,952.

Also under the authority of Public Law 99-272, Maricopa County provides an Employee Assistance Program to terminated employees who choose it when selecting from available COBRA options. This program provides counseling for qualifying terminated employees and their dependents at $1.80 per participant. It is an internal program totally funded by the County. For the fiscal year ended June 30, 2000, there were no enrolled participants qualifying under COBRA in the program.

Maricopa County provides medical insurance to retirees. In accordance with Arizona Revised Statute §11-263, the County provides post-retirement medical insurance to participants meeting the requirements of the statute. Participants must have enough money in their pension plans to cover the insurance premiums in full. The participants are responsible for paying the full cost of premiums. The County's insurance carriers accept financial liability for claim costs.

In addition to the above benefits, Maricopa County provides a waiver of premium on life insurance benefits provided to currently disabled former employees under the age of 60 who became disabled prior to the age of 60 and while they were benefit eligible employees. The waiver of premium is a part of the contractual agreement the County has with Life Insurance Company of North America. To qualify, the insurance company must approve the disability. This benefit is funded entirely through insurance premiums applied to benefit eligible employees. Maricopa County is experience-rated, and non-participating. In no event is more premium owed than is primarily paid; consequently, no County liability arises for claims in excess of premiums paid.

SUMMARY OF LEGAL DOCUMENTS

APPENDIX D

SUMMARY OF LEGAL DOCUMENTS

The following are summaries of certain provisions of the Lease and the Trust Agreement, as well as certain defined terms used therein. The summaries do not purport to be complete, and reference is made to the full text of the Lease and the Trust Agreement, respectively, for a complete recital of their terms, as well as a complete recital of the defined terms used therein.

DEFINITIONS

"Acquisition Agreement" — the Acquisition and Assignment Agreement dated as of October 1, 2000 between the Lessor and the Lessee pursuant to which the Lessee, as agent for the Lessor, will agree to cause the Project to be acquired or otherwise completed.

"Additional Rent" — all payments required to be made by the Lessee which are in addition to the Base Rent.

"Appropriation" — inclusion in the Lessee's final approved budget of the amount of Lease Payments due in the Fiscal Year.

"Base Rent" — the principal and interest components specified in the Lease.

"Board" — the Board of Supervisors of Maricopa County, Arizona.

"Certificate Payment Date" — each July 1 and January 1, commencing July 1, 2001.

"Default Rate" — the greater of ten percent (10%) per annum or the average rate of interest paid on the Certificates.

"Defeasance Obligations" — mean:

(1) direct non-callable Federal Securities (*"Government Obligations"*);

(2) evidences of ownership of proportionate interests in future interest and principal payments on Government Obligations held by a bank or trust company as custodian, under which the owner of the investment is the real party in interest and has the right to proceed directly and individually against the obligor and the underlying Government Obligations are not available to any person claiming through the custodian or to whom the custodian may be obligated (collectively *"U.S. Obligations"*);

(3) Refcorp Strips; and

(4) pre-refunded municipal obligations rated "AAA" by S&P and "Aaa" by Moody's meeting the following requirements:

(a)(i) the municipal obligations are not subject to redemption prior to maturity or (ii) the Trustee has been given irrevocable instructions concerning their call and redemption and the issuer of the municipal obligations has covenanted not to redeem such municipal obligations other than as set forth in such instructions;

b. the municipal obligations are secured by cash or Government Obligations which may be applied only to payment of the principal of, interest and premium on such municipal obligations;

c. the principal of and interest on the Government Obligations (plus any cash in the escrow) has been verified by the report of independent certified public accountants to be sufficient to pay in full all principal of, interest, and premium, if any, due and to become due on the municipal obligations (*"Verification"*);

d. the cash or Government Obligations serving as security for the municipal obligations are held by an escrow agent or trustee in trust for owners of the municipal obligations;

e. no substitution of the Government Obligations shall be permitted except with another Government Obligation and upon delivery of a new verification; and

f. the cash or Government Obligations are not available to satisfy any other claims, including those by or against the trustee or escrow agent.

(5) General Obligation Bonds of Maricopa County bearing redemption features which correspond to the prior redemption features of the Certificates.

"Delivery Costs" — all items of expense directly or indirectly payable by or reimbursable to the Trustee, the Lessee and the Lessor relating to the issuance of the Certificates.

"Eligible Investments" — mean:

(1) Federal Securities;

(2) bonds, notes or other evidences of indebtedness rated "AAA" by S&P and "Aaa" by Moody's issued by the Federal National Mortgage Association or the Federal Home Loan Mortgage Corporation with remaining maturities not exceeding three years;

(3) U.S. dollar denominated deposit accounts, federal funds and banker's acceptances with domestic commercial banks which have a rating on their short term certificates of deposit on the date of purchase of "A-1" or "A-1" + by S&P and "P-1" by Moody's and maturing no more than 30 days after the date of purchase (ratings on holding companies are not considered as the rating of the bank);

(4) full faith and credit general obligations or special revenue bonds (as defined in the United States Bankruptcy Code) of any state or political subdivision which are rated at the time of purchase "AAA" by S&P and "Aaa" by Moody's; and

(5) REFCORP STRIPS.

"Events of Default" — shall mean (1) with respect to the Trust Agreement:

(a) failure to pay principal or interest on any Certificate or any premium thereon;

(b) the occurrence and continuance of an event of default under the Lease if Trustee has notice thereof; or

(c) an Event of Non-Appropriation, and, (2) with respect to the Lease:

(a) Lessee's failure to make a Lease Payment when due, or

(b) Lessee's failure to perform other covenants, conditions or agreements which failure continues for a period of 20 days after notice from the Lessor or Trustee to the Lessee.

"Event of Non-Appropriation" — no Appropriation has been made to pay Lease Payments coming due in any Fiscal Year as of the final adoption of Lessee's budget for such Fiscal Year.

Existing Improvements" — an existing hospital and medical office facility located on the Leased Land.

"Federal Securities" — direct obligations of, or obligations of full and timely payment of which is guaranteed by, the United States of America.

"Fiscal Year" — the twelve (12) calendar month period beginning July 1 and ending June 30 of the following year.

"Fitch" — means Fitch IBCA Inc.

"Improvements" — collectively, the Existing Improvements and the New Improvements.

"Interest Payment Date" — each date Certificate interest is due and payable.

"Interest Portion" — the portion of each Lease Payment of Base Rent denominated as interest.

"Lease Payment Date" — each June 26 and December 26 during the Term of the Lease, commencing June 26, 2001.

"Lease Payment Fund" — the fund of that name created by Section 5.2 of the Trust Agreement.

"Lease Payments" — the Base Rent and Additional Rent. Lessee shall receive no credit against Lease Payments for amounts transferred from the Reserve Fund to the Lease Payment Fund pursuant to the Trust Agreement.

"Lease Year" — the period from the date of execution of the Lease to June 30, 2000 and thereafter a period of 12 consecutive months commencing on the first day of July and ending on the last day of June.

"Leased Land" — the real property on which the Existing Improvements are located.

"Leased Property" or *"Project"* — the Leased Land and the Improvements.

"Lessee" — Maricopa County, Arizona.

"Lessor" — Maricopa County Public Finance Corporation.

"Moody's" — Moody's Investor's Service.

"Net Proceeds" — As to any insurance proceeds or eminent domain awards, the gross proceeds less all collection expenses.

"New Improvements" — mans improvements or equipment for the Existing Improvements or otherwise for the use of the System.

"Option Price" — the amount Lessee must pay to exercise its option to prepay the Lease.

"Outstanding" — when used as of any particular time with respect to Certificates, means (subject to the provisions of the Trust Agreement concerning Certificates held by or for the account of the Lessee) all Certificates theretofore executed and delivered by the Trustee under the Trust Agreement except:

(1) Certificates theretofore surrendered to the Trustee for cancellation;

(2) Certificates for the payment or redemption of which funds or Federal Securities in the necessary amount shall have theretofore been deposited with the Trustee (whether upon or prior to the maturity or redemption date of such Certificates); and

(3) Certificates in lieu of or in exchange for which other Certificates shall have been executed and delivered by the Trustee.

"Owner" — as of any particular time, the person in whose name a Certificate is then registered.

"Payment Date" — any date a Lease Payment is due.

"Permitted Encumbrances" — mean as of any particular time, (i) liens for ad valorem taxes and special assessments not then delinquent; (ii) the Trust Agreement; (iii) the Lease; (iv)utility, access and other easements and rights-of-way, mineral rights, restrictions, exceptions and encumbrances that will not

(a) materially interfere with or impair the operations being conducted on the Leased Property or (b) materially adversely granted to the Trustee; and (v) such minor defects, irregularities, encumbrances, easements, mechanics' liens, rights-of-way and clouds on title as, in the opinion of counsel, normally exist with respect to similar properties and do not (a) materially interfere with or impair the operations on the Leased Property or (b) materially adversely affect the Trustee's security or easements granted to the Lessor or Lessee.

"Prepayment" — any payment applied toward the prepayment of the Lease Payments.

"Principal Portion" — the portion of each Lease Payment denominated as principal.

"Rebate Fund" — the fund of that name created in the Trust Agreement.

"Rental Period" — the six-month period commencing on the first day of the month in which a Lease Payment is due and payable.

"Required Property Insurance Coverage" — insurance insuring the Leased Property against loss or damage by fire, lightning, vandalism and malicious mischief and all other perils covered by standard "extended coverage" or "all risks" policies including self-insurance if permitted by the Lease.

"Required Public Liability Insurance Coverage" — comprehensive general accident and public liability insurance, including self-insurance if permitted by the Lease.

"S&P" — Standard & Poor's Rating Group, a division of The McGraw-Hill Companies, Inc.

"System" — Maricopa Integrated Health System, a hospital enterprise and separate unit of the County pursuant to Arizona Revised Statutes §11-309.

"Term of the Lease" — any time during which the Lease is in effect including all extensions and renewals thereof.

SUMMARY OF LEASE

Section 2. Term and Rental Payments.

(a) *Term; Appropriation.* Initial term of the Lease runs from November 1, 2000 to June 30, 2001; however, the term shall be deemed extended automatically for up to fourteen (14) successive periods of one (1) year commencing each July 1 if an Appropriation for such fiscal year. References to the "term" of the Lease include the initial and any extended term.

If Lessee fails to Appropriate Lease Payments for a Lease Year, an Event of Non-Appropriation will be deemed to have occurred and this Lease shall terminate as of the immediately preceding June 30. Upon such termination, Lessee shall return the Leased Property to Lessor and thereafter incur no further obligation operationally or financially to the Lessor, the Owners or any other party. IF AN EVENT OF NON-APPROPRIATION OCCURS, THE LESSEE IS NEITHER REQUIRED NOR EXPECTED TO CONTINUE TO

PAY LEASE PAYMENTS. The parties acknowledge that appropriation is a legislative act beyond control of the Lessor or Trustee. All of Lessor's successors in interest are bound by such acknowledgment.

If an Appropriation is made, Lessee's obligation for Lease Payments during such Lease Year accrues as of the first day of such Lease Year and the Lease is specifically enforceable to the extent of such appropriation.

(b) *Other Provisions*. The Lease Payments for each extended term of the Lease constitute the total Base Rent for such Lease Year and shall be paid by Lessee in consideration of the Leased Property's use and occupancy and the continued right to use and enjoy it during such period. The Lease Payments represent the Leased Property's fair rental value. Lessee's obligations during the Term of the Lease shall be absolute and unconditional in all aspects unless otherwise provided with respect to termination and an event of non-appropriation. During the term of Lease, Lessor shall provide Lessee with quiet use and enjoyment of the Leased Property.

Lessee shall receive credit against first, Additional Rent and second, Base Rent for investment income except for monies used to pay arbitrage rebates. Lessee shall receive Base Rent credit for accrued interest.

All Lease Payments shall be made to Trustee. All Lease Payments will not be subject to any set off, defense, counterclaim, recoupment, abatement or reduction for any reason whatsoever.

In the event of advancement of monies from the Reserve Fund to make delinquent Lease Payments, Lessee agrees to restore the amount in such Fund to an amount equal to the Reserve Requirement not later than the subsequent May 26.

Section 3. *Additional Rent*. Lessee shall pay as additional rent:

(a) all taxes assessments and governmental charges on the Leased Property imposed upon the ownership, leasing, rental, sale, purchase, possession or use of the Leased Property;

(b) all indemnification amounts;

(c) costs required in the Lease to be paid to the Lessor;

(d) all expenses of enforcing the Lease;

(e) all of Trustee's and Lessor's fees and expenses;

(f) all rent for any holdover period if Lessee stays in possession of the Leased Property after termination;

(g) the arbitrage consultant's fees and expenses and any arbitrage rebate owed to the United States; and

(h) all expenses related to compliance with the continuing disclosure undertaking of the Lessee pursuant to SEC Rule 15c2-12.

Section 4. Utility Charges. Lessee shall pay all utility charges with respect to the Leased Property.

Section 5. Use, Licenses, Taxes. Lessee shall use the Leased Property solely for lawful activities in which the System may engage and provide all permits and licenses necessary for its operation.

Lessee may, and at its expense, after prior written notice to the Trustee, contest the validity or amount of any taxes, assessments and other charges and, during such contest, need not pay items so contested. To do so, Lessee must deliver an opinion of counsel to the effect that by such non-payment the Lessor's interest hereunder will neither be materially adversely affected nor the Leased Property be subject imminent loss or forfeiture.

Section 6. Maintenance. Lessee will, at its expense:

(a) keep the Leased Property in good order and condition, ordinary wear and tear excepted;

(b) comply with all insurance policies relating to the Leased Property;

(c) pay all costs and charges arising out of possession of the Leased Property;

(d) comply with all contractual obligations created with respect to the Leased Property; and

(e) not do or permit to be done any act or thing which might materially impair the Leased Property's value.

Neither Lessor nor Trustee are responsible to maintain the Leased Property.

Section 7. Additions, Modifications, Improvements and Substitutions to the Leased Property. Lessee may make any additions or modifications to the Leased Property deemed by it desirable, but if such modifications cost $200,000 or more in a single Lease Year, an engineer shall render an opinion that no such modification shall adversely effect the structural integrity or strength of any improvements on the Leased Property or materially interfere with its use and operation and the modification will not cause its value to be reduced below its value immediately prior to such modification.

Section 8. Liens. Except for Permitted Encumbrances, Lessee shall not directly or indirectly create, incur or permit to exist any mortgage, encumbrance or claim with respect to the Leased Property or the title thereto or any interest therein.

Section 9. Damage, Destruction or Condemnation of the Leased Property. (a) Lessee assumes all risk of loss of or damage to the Leased Property from any cause whatsoever unless caused by

Lessor or Trustee. No loss of or damage, appropriation by governmental authorities of, or defect or unfittingness or obsolescence of, the Leased Property will relieve Lessee's obligation to pay Lease Payments.

(b) Any Net Proceeds or condemnation awards in excess of $500,000 are to be deposited to the Net Proceeds Fund under the Trust Agreement. If damage, destruction or condemnation which might exceed $500,000 occurs, Lessee shall notify Lessor describing the nature and extent. There shall be no abatement or diminution of the Lease Payments due to such event. Lessee shall, whether or not the Net Proceeds, if any, received on account of such damage or destruction shall be sufficient for such purposes, promptly commence and complete or cause to be commenced or completed, the repair or restoration of the Leased Property. Any expenditure in excess of Net Proceeds required to repair or restore the Leased Property is subject to Appropriations.

(c) In the event of total destruction or condemnation of the Leased Property, unless Lessee exercises its option to prepay the Lease (in which event the Option Price shall be adjusted so as to exclude any prepayment penalty, all Net Proceeds and other monies available shall be applied to replacement of the Leased Property. If the Lessee determines not to replace the Leased Property, Lessee shall direct the Trustee to transfer all amounts in the Net Proceeds up to, but not in excess of, the Option Price, to the Lease Payment Fund.

(d) In the event the amount of Net Proceeds exceeds the amount required to acquire and install replacement facilities constituting Leased Property, the Lessee should direct the Trustee to transfer such excess to the Lease Payment Fund.

(e) As the Lessee has the power to acquire the Leased Property through the exercise of its power of eminent domain, the parties state their intention that neither the Lessor nor any person claiming through the Lessor be injured or damaged by the Lessee's initiation of an action to acquire the Leased Property through eminent domain. Lessee has no present intention to so acquire the Leased Property. Should the Lessee ever determine to acquire the Leased Property through the exercise of the power of eminent domain the Lessor's value for all purposes for determining the fair market value of the Leased Property is hereby stipulated to be the Option Price as of the time of initiation of such action.

Section 10. Insurance. During the Term of the Lease, the Lessee shall either maintain a program of self-insurance or purchase and maintain Required Property Insurance Coverage and Required Public Liability Insurance Coverage in an amount sufficient to meet the obligation of the Lessee naming the Lessor and/or the Trustee, as appropriate, as named insured or loss payee with respect to the Leased Property. The Required Property Insurance Coverage shall be in an amount at all times at least equal to the par amount of the Outstanding Certificates.

Lessor shall deliver to Trustee evidence of the insurance coverages required by the Lease, together with receipts for any renewal premiums or proof that the Lessee's self-insurance program is maintained in accordance herewith.

Insurance proceeds from casualty losses shall be paid to Lessor or Trustee as provided in Section 9 of the Lease. Lessee shall deliver to Lessor or the Trustee, as applicable, evidence satisfactory to Lessor of the insurance coverages required by the Lease which shall be policies with nationally recognized responsible insurance companies or in conjunction with other companies through and an insurance trust or other arrangement and shall provide by endorsement upon the policy or policies or by independent instrument that each insurer will give Lessor and/or Trustee as applicable written notice of non-payment of any premium due and written out forty-five (45) days' notice prior to cancellation or alteration of the policy for any reason.

Annually the Lessee shall commission, at its own expense, a review (the *"Review"*) of the Lessee's self-insurance program. The Review shall be conducted by an actuary with recognized experience with respect to self-insurance.

It shall be a condition of Lessee's use or continued use of self-insurance to provide either Required Property Insurance Coverage or Required Public Liability Insurance Coverage, or both, that the Lessee's self-insurance program or programs, as applicable with respect to the Leased Property, be funded to the level required in the Review no later than the next January 1st occurring after the date of the respective Review. The Trustee may rely on the certificate of the administrator of the self-insurance program or the chairman of the governing board of the self-insurance trust, to the effect that the self-insurance plan's funding has obtained the required level net of any known claims expected to be paid from the self-insurance program or programs, as applicable, in the Lessee's then-current Fiscal Year.

If Lessee cannot meet or maintain the funding level required in the applicable Review by the next January 1st after the Review date, then the Leased Property may not be covered by self-insurance and in such event the Lessee shall be required to obtain insurance policies covering either Required Property Insurance Coverage or Required Public Liability Insurance Coverage, or both, as the case may be. Failure to provide the required Review, or to maintain the level of funding of the self-insurance program, or programs applicable to the Leased Property, in violation of the requirements of the Lease shall be deemed an Event of Default which can be cured by either Lessee's presentation to Trustee of the Review, or the required certificate of compliance with the respective Review, or both, as the case may be, or by presentation of insurance policies meeting the Lease's requirements.

When proof of insurance policies have been presented to Trustee to meet the requirements, the Lessee shall not return to or use a self-insurance program unless the Trustee has been presented with both a new Review and a Certificate evidencing compliance therewith.

Section 11. Indemnification. To the extent permitted by law and the Constitution of the State, Lessee shall indemnify Lessor and Trustee for, from and against any and all liability and damages in connection with the Leased Property, the Trust Agreement, the Lease, the Acquisition Agreement, the Certificates or the Official Statement and any related instrument. Amounts so payable shall be paid as Additional Rent. The Lessee's obligations to so indemnify shall survive any termination of the Lease and discharge of the Trust Agreement.

Section 12. Assignment of Lease, Payment of Trustee's Fees and Expenses. Lessor will assign all its right, title and interest in and to the Lease Payments and the rights to enforce the Lease to Trustee. Lessee agrees to pay all fees and expenses due Trustee under the Trust Agreement.

Section 13. Representations Warranties and Covenants. (a) Lessor has made and makes no representation or warranty, express or implied, and assumes no obligation with respect to the title, merchantability, condition, quality or fitness of the Leased Property for any particular purpose or the conformity of the Leased Property to any plans, specifications, construction contract, purchase order, model or sample, or as to its design, construction, delivery, installation and operation or its suitability for use by Lessee. All such risks shall be borne by Lessee without in any way excusing Lessee from its obligations under this agreement and Lessor shall not be liable to Lessee for any damages on account of such risks.

(b) Lessee represents that the Lease is Lessee's lawful, valid and binding obligation, enforceable against it in accordance with its terms (except as to those provisions which would require the expenditure of funds in any fiscal year for which such funds have not been included in Lessee's budget) and that all Lease Payments will be paid when due out of funds legally available therefor.

Section 14. Option to Purchase; Providing for Payment or Prepayment. (a) Lessee shall have the option to purchase the Leased Property at any date after July 1, 2010 at the "Option Price" set forth in the Lease. Such option shall be exercised by written notice to the Trustee not less than forty-five (45) days prior to the date specified for the exercise of such option, *provided* that upon Lessee's timely payment of the last payment on July 1, 2015, Lessee shall be deemed to have properly exercised its option to purchase the Leased Property for $0.

(b) At such time as the Lessee exercises the option to prepay or make the final payment under the Lease, the Lessor shall transfer title to the Leased Property to the Lessee. At such time, the Lease shall terminate.

(c) Except as provided in Section 9(c) relating to prepayment in full from amounts in the Net Proceeds Fund or (d) below with respect to defeasing the payments due under the Lease or in Section 9(c) relating to total destination or condemnation of the Lease Property, the Lessee may not prepay the Lease prior to June 26, 2010. On or after June 26, 2010, the Lessee may fully or partially prepay future lease payments at any time subject to a prepayment penalty set forth below:

Prepayment Date	**Penalty**
June 26, 2010 through June 25, 2011	1%
June 26, 2011 and thereafter without premium	

(d) The Lease may be prepaid and discharged if the Lessee provides sufficient money or Defeasance Obligations to the Trustee in accordance with the Trust Agreement to cause all Certificates Outstanding to be deemed to be "paid and discharged."

Section 15. Default and Lessor's Remedies. (a) The following are Events of Default:

(1) Lessee's failure to make any payment of rent or any other amount payable under the Lease when due;

(2) Lessee's failure to perform or observe any other covenant, condition or agreement required under the Lease and such failure shall continue for twenty (20) days after

notice thereof to Lessee; but, if the failure cannot be corrected within the applicable time period, Lessor or Trustee will not unreasonably withhold consent to an extension if Lessee institutes corrective action within the applicable period and diligently pursues correction;

(b) If, by reason of *force majeure*, Lessee is unable to perform or observe any agreement, term or condition under the Lease, other than any obligation to make Lease Payments, Lessee shall not be deemed in default during the continuance of such inability. Lessee shall promptly give notice of the existence of any *force majeure* event and use its best efforts to remove the effects thereof. Settlement of labor disturbances shall be entirely within Lessee's discretion.

The term *"Force Majeure"* means, without limitation: Acts of God, strikes, lockouts or other labor disturbances, acts of public enemies, orders or restraints of any kind of the government of the United States or any of its departments, agencies, political subdivisions, courts or officials, or any civil or military authority, insurrections, civil disturbances, riots, epidemics, landslides, lightning, earthquakes, fires, hurricanes, tornadoes, storms, droughts, floods, arrests, explosions, breakage, malfunction or accident to facilities, machinery, transmission pipes or canals, partial or entire failure of utilities, shortages of labor, materials, supplies or transportation.

(c) Upon the occurrence of an Event of Default, Lessor may:

(1) Bring any action allowed by law or equity to enforce the provisions hereof, remove Lessee from possession of the Leased Property, or for damages or any Lease Payment due or to come due under the Lease;

(2) By written notice to Lessee, terminate the Lease and direct Lessee to (and Lessee agrees that it will), at Lessee's expense, return possession of the Leased Property to Lessor within forty-five (45) days of receipt of such notice;

(3) Sell or lease Leased Property for Lessee's account pursuant to the Lease (Lessor agrees to take such action as is necessary to consummate such sale or lease of the Leased Property), holding Lessee liable for all applicable Lease Payments due to and including the effective date of such selling, leasing or subleasing and for the difference between the purchase price, rental and other amounts paid by the purchaser, lessee or sublessee pursuant to such sale, lease or sublease and the amounts payable by Lessee during the remaining Term of the Lease;

(4) Exercise any other right, remedy or privilege available to it under the laws of the State or to recover damages for the breach hereof or to rescind the Lease; and

(5) Foreclose the Lease if it is ever construed to be a mortgage.

(d) Lessee will remain liable for all Lease Payments for the remainder of the Term of the Lease, and for all covenants and obligations thereunder.

(e) No failure by Lessor to insist upon strict performance by Lessee of any provision of the Lease shall constitute a waiver of Lessor's right to strict performance and no express waiver shall be deemed to apply to any other existing or subsequent right to exercise any remedy upon the failure by Lessee to observe or comply with any provision of the Lease.

(f) All of Lessee's payment obligations under the Lease are subject to Appropriations.

(g) If the Leased Property is sold by the Lessor upon the occurrence of an Event of Default, then any sale proceeds remaining after all claims have been paid shall be paid to Lessee.

Section 16. Termination. (a) Except for full and timely payment of all Lease Payments, Lessee shall, upon the expiration of the Term of the Lease surrender possession of the Leased Property to Lessor in at least as good condition and repair as when delivered to Lessee, ordinary wear and tear excepted and free and clear of all liens and encumbrances except Permitted Encumbrances. If Lessee fails to so surrender the Leased Property on or before the date of termination of the Lease, Lessee shall pay to Lessor on demand, as Additional Rent, the rent for any holdover period. If Lessee refuses or fails to so return the Leased Property, Lessor may, in addition to charging the Additional Rent for the holdover period repossess or repair, as the case may be, such Leased Property and Lessee shall be liable for all costs and expenses (including reasonable attorneys' fees).

(b) Lessee's obligations to pay Lessor amounts accrued and unpaid as of the termination of the Lease shall survive such termination and continue until paid in full.

(c) If the Lessee elects not to extend the term of the Lease, Lessee shall, as of the end of the then current Lease Year, terminate the Lease and surrender possession of the Leased Property to Lessor.

Section 17. Assignment and Sublease. (a) Lessee shall not, without Lessor's prior written consent, (1) assign or dispose of the Lease, the Leased Property, or any part thereof any interest therein, (2) sublet the Leased Property or any part thereof or (3) permit the Leased Property to be used for any purpose except an essential public purpose; provided that it is expressly understood that Lessee is permitted to allow the use of the Leased Property by the System as a behavioral health facility.

(b) Lessor may without notice to, or the consent of, Lessee, sell, pledge, assign, transfer and encumber all or any part of its interest in the Leased Property, the Lease and all payments of any kind due or which become due to Lessor hereunder. Following Lessor's assignment or transfer of its interest hereunder, Lessee shall have no right to abate, reduce, withhold or offset against any payments due any successor Lessor, or otherwise hereunder. Lessee agrees to attairf to and recognize any such assignee as the owner of all right, title and interest in the Lease, the Leased Property and the Lease Payments.

Section 18. Lessor's Right to Perform for Lessee. If Lessee fails to make any payment or to perform its obligations under the Lease, Lessor may, but shall not be required to, make such payment or perform such obligations on Lessee's behalf and Lessee shall be liable for the amount of any such payment and the expenses incurred by Lessor together with interest thereon at the Default Rate.

Section 19. Interest on Default. If Lessee fails to pay any part of the Lease Payments when due, Lessee shall pay to Lessor interest on such delinquent payment at the Default Rate.

Section 20. Miscellaneous. (a) Lessor and the Trustee may enter the Leased Property during business hours to observe its use and operation, and to inspect Lessee's books and records covering the Leased Property.

(b) No covenant or obligations herein to be performed by Lessee may be waived except by Lessor's written consent; such waiver or forbearance shall not constitute or be treated as a waiver of such covenant or obligation as to any other occasion and shall not preclude Lessor from invoking such remedy prior to the Lessee's cure thereof.

Section 21. Covenant as to Conflict of Interest. A.R.S. Section 38-511 provides that Lessee may, within three years after its execution, cancel any contract, without penalty or further obligation, if any person significantly involved in initiating, negotiating, securing, drafting or creating the contract on behalf of Lessee is, at any time while the contract or any extension of the contract is in effect, an employee or agent of any other party to the contract in any capacity or a consultant to any other party of the contract with respect to the subject matter of the contract. In addition, Lessee may recoup any fee or commission paid or due to any person significantly involved in initiating, negotiating, securing, drafting, or creating the contract on behalf of Lessee from any other party to the contract arising as a result of the contract.

SUMMARY OF THE TRUST AGREEMENT

CERTIFICATES OF PARTICIPATION

Section 2.1. Authorization. The Trustee is authorized and directed to execute and deliver to the Original Purchaser $6,975,000 of the Series 2000 Certificates evidencing proportionate ownership interests in the Lease, the Base Rent component of all Lease Payments and Prepayments.

Section 2.2. Date. Each Series 2000 Certificate shall be dated October 1, 2000. If interest is in default on any Certificate, such interest shall be payable from the Interest Payment Date to which interest was previously paid.

Section 2.3. Payment of Unclaimed Amounts. If any interest check or Certificate is returned to Trustee unendorsed or is not presented for payment within two (2) years from its payment date and if the Trustee holds funds to pay such interest or principal, Trustee shall hold such funds, without liability for interest thereon, for the respective Owner's benefit, who shall thereafter be restricted exclusively to such funds.

APPLICATION OF CERTIFICATE PROCEED AND OTHER LESSEE FUNDS; ACQUISITION FUND

Section 3.3. Payment of Improvement Costs from the Acquisition Fund. The Trustee shall pay, from the Acquisition Fund, the Improvement Costs, upon receipt of a duly executed payment request form.

Section 3.6. Establishment and Application of Costs of Issuance Fund. The Trustee will establish a special trust fund designated as the Maricopa County Series 2000 Costs of Issuance Fund. Amounts in the Costs of Issuance Fund shall be disbursed for Delivery Costs.

LEASE PAYMENTS; LEASE PAYMENT FUND; RESERVE FUND

Section 5.1. Establishment of Lease Payment Fund. All moneys deposited in the Lease Payment Fund shall be held in trust for the Owners' benefit. While Certificates are Outstanding, Lessee shall have no interest in the Lease Payment Fund.

Section 5.2. Deposit of Lease Payments into Lease Payment Fund. All Lease Payments and Prepayments shall be paid directly to Trustee, and shall be deposited in the Lease Payment Fund.

Moneys in the Lease Payment Fund shall be used solely to pay Principal Portion and Interest Portion and Trustee's fees and expenses. Trustee shall withdraw moneys from the Lease Payment Fund to pay such Principal Portion, Interest Portion and premium when due.

Principal Portion and Interest Portion, except to the extent paid from Certificate proceeds, shall be payable, when due in the following order: (i) from the Lease Payments; (ii) if moneys then on deposit in the Lease Payment Fund are not sufficient to pay Principal Portion and Interest Portion, then from other Revenues, if available; and (iii) from any other source lawfully available.

Section 5.3. Application of Moneys. All amounts in the Lease Payment Fund shall be used solely to pay Principal Portion, Interest Portion and redemption premiums, if any.

INSURANCE FUND; INSURANCE

Section 7.1. Establishment of Net Proceeds Fund; Application of Net Proceeds of Insurance Proceeds or Condemnation Awards. Net Proceeds or condemnation awards of less than $500,000 are to be retained by the Lessee and applied to replace the Leased Property damaged or destroyed. Any Net Proceeds or condemnation awards of $500,000 or more shall be deposited in the "Net Proceeds Fund" and disbursed to pay the costs of repairing or replacing the Leased Property lost, stolen, condemned or destroyed. In the event of total damage, destruction or condemnation, if Lessee does not elect to repair or replace such Leased Property, the Net Proceeds shall be transferred to the Lease Payment Fund and applied to the next Lease Payments or used to redeem Certificates in advance of maturity.

MONEYS IN FUNDS; INVESTMENT

Section 8.1. Held in Trust. The moneys and investments held under the Trust Agreement are irrevocably held in trust for the Owners' benefit, and shall be expended only as provided therein.

Section 8.2. Investments Authorized. Moneys held under the Trust Agreement shall, upon the written order of the Lessee, be invested and reinvested by Trustee in Eligible Investments. Trustee may purchase or sell to itself or any affiliate, as principal or agent, investments herein authorized. The Trustee may act as purchaser or agent in the making or disposing of any investment.

Section 8.5. Valuation and Disposition of Investments. Except for the Reserve Fund, all Eligible Investments shall be valued at cost. Trustee may sell at the best price obtainable, or present for redemption, any Eligible Investment whenever necessary to meet any required payment or disbursement. Trustee shall not be liable for any loss resulting from such investments.

Section 8.6. Arbitrage Covenant. The Trustee covenants to administer the Trust Agreement so that it does not knowingly use the Certificate proceeds or other moneys in a manner which would cause the Certificates to be "arbitrage bonds".

THE TRUSTEE

Section 9.1. Trustee's Acceptance and Responsibilities. Trustee accepts the trusts imposed by the Trust Agreement, and will observe and perform those trusts subject to the terms and conditions set forth in the Trust Agreement, to which the Owners agree.

(a) Prior to a default or an Event of Default of which Trustee has, or is deemed to have, notice, and after cure or waiver of default or Event of Default,

(i) Trustee undertakes to perform only those duties and obligations specifically set forth in the Trust Agreement; no duties or obligations shall be implied; and

(ii) in the absence of Trustee's bad faith, it may rely conclusively, as to the truth of statements and the correctness of opinions, upon certificates or opinions furnished to it which conform to the Trust Agreement.

(b) If an Event of Default occurs and continues (of which Trustee has, or is deemed to have, notice), Trustee shall exercise the rights and powers vested in the Trust Agreement using the same degree of care and skill, as a prudent indenture trustee under the circumstances.

(c) No provision of the Trust Agreement shall relieve Trustee from liability for its own negligent action, its own negligent failure to act, or its own willful acts, except that: (i) Trustee shall not be liable for any error of judgment made in good faith by it, unless it shall be established that Trustee was negligent; (ii) Trustee shall not be liable for any action taken or omitted by it in good faith in accordance with the Registered Owners prior written consent evidenced by not less than a majority in principal amount of the Certificates then Outstanding relating to the time, method and place of conducting any proceeding or exercising any trust or power conferred, under the Trust Agreement; and (iii) nothing shall require Trustee to expend or risk its own funds or otherwise incur any financial liability in performing its duties or exercising its rights or powers under the Trust Agreement, if it shall have reasonable grounds for believing that repayment or adequate indemnity against risk or liability is not reasonably assured.

Section 9.2. Certain Rights and Obligations of the Trustee. Trustee shall be protected, in the absence of bad faith in acting upon any writing or other or document reasonably believed by it to be genuine and correct and signed by the proper person. Any action taken by Trustee at the request of an Owner shall be conclusive and binding upon all future Owners of that Owner's Certificates.

Prior to an Event of Default of which the Trustee has, or is deemed to have, notice Trustee may accept a certificate to the effect that any particular dealing, transaction or action is necessary or expedient;

(e) Trustee shall not be required to take notice, and shall not be deemed to have notice, of any default, except Events of Default.

(f) Before taking action under the Trust Agreement, Trustee may require that a reasonable indemnity be furnished to cover all reasonable expenses or liability it may incur.

(h) Before taking any action under the Trust Agreement, Trustee may require that a reasonable and satisfactory indemnity bond or other security or assurances reasonably acceptable to the Trustee be furnished to it for the reimbursement of all reasonable expenses which it may incur and to protect it against all liability (including environmental liability) by reason of any action so taken, except liability which is adjudicated to have resulted from its negligence or willful default. The Trustee may refuse to take or commence any action to acquire the Lessor's reversionary interest in the Leased Property without such indemnity or other security or assurances being provided to it.

Section 9.4. Intervention by Trustee. The Trustee may intervene for the Owners, and shall intervene if requested to do so in writing by the Owners of at least 25 percent of the aggregate principal amount of Certificates Outstanding, in any proceeding in which the Lessee is a party and in Trustee's and its counsel's opinion has a substantial bearing on the Owners' interests.

Section *9.13. Dealing in Certificates.* The Trustee, the Registrar and any Paying Agent may become Owners.

MODIFICATION OR AMENDMENT OF AGREEMENTS

Section 10.1. Amendments Permitted. The Trust Agreement, the Certificates and the Lease may be amended at any time by a Trust Agreement Amendment effective upon the written consent of Lessee and the Owners of a majority of principal amount of the Certificates Outstanding. No such amendment shall (1) extend the fixed maturity of any Certificate or reduce the interest rate or change the Interest Payment Dates or reduce the amount of principal or premium payable upon the redemption, without the such Certificate Owners express consent, or (2) reduce the Certificate percentage required for the amendment.

The Trust Agreement and the Lease may be amended with the Trustee's and the Lessee's consent, but without any Owner's consent, only (1) to add additional property to the Leased Property, (2) to add to any party's covenants and agreements, or to surrender any right or power reserved to Lessee, (3) to correct any ambiguous or defective provision, and (4) to construct or add additions to the Leased Property, or (5) as the parties deem necessary and which shall not materially adversely affect the Owners' interests.

Section 10.2. Procedure for Amendment With Written Consent of Certificate Owners. Except as provided in Section 10.1 of the Trust Agreement, the Trust Agreement, the Certificates and the Lease may be amended by a Trust Agreement Amendment. Such Amendment requires the written consent of the Owners of a majority in principal amount of the Certificates then Outstanding. After the required consents have been obtained, the Trustee shall so inform the Owners by mail.

LIMITATION OF LIABILITY

Section 12.3. Opinion of Counsel. Before being required to take any action, the Trustee may require an opinion of counsel concerning the proposed action. If it does so in good faith, the Trustee shall be absolutely protected in acting in reliance upon such opinion.

EVENTS OF DEFAULT AND REMEDIES OF CERTIFICATE OWNERS

Section 13.1. Defaults; Events of Default. The following events are Events of Default:

(a) Failure to pay principal or interest evidenced by any Certificate or any premium thereon when due; or

(b) The occurrence and continuance of an Event of Default under the Lease; or

(c) Receipt by the Trustee of a notice of an Event of Non-Appropriation.

Section 13.2. Notice of Default. If an Event of Default occurs, Trustee shall give written notice of the Event of Default within 30 days after it has knowledge to the Owners of all Certificates Outstanding; but except for a payment default, Trustee may withhold notice if Trustee in good faith determines such action to be in the Owners' interests.

Section 13.3. Remedies; Rights of Owners. Upon an Event of Default, Trustee may pursue any available remedy to enforce Certificate payments or the performance of any other obligation under the Lease-Purchase Agreement.

If requested to do so by the Owners of at least 25 percent of Certificates Outstanding, Trustee shall exercise any rights and powers conferred by this Section, subject to Trustee's right to require indemnity. No remedy is intended to be exclusive of any other remedy.

In exercising any remedy, under the Lease or Trust Agreement, the Trustee shall take any action which would best serve the Owners' interests in Trustee's judgment.

Section 13.4. Right of Registered Owners to Direct Proceedings. The Owners of a majority of Certificates then Outstanding may direct the method and place of enforcing the Trust Agreement or proceedings thereunder, but (i) all directions shall in accordance with the law and of the Trust Agreement, (ii) Trustee shall be indemnified, and (iii) the Trustee may take any other action it deems proper if consistent with the Owners' direction.

Section 13.5. Application of Moneys. After payment of Trustee's reasonable fees and costs, expenses, and deposits to the Rebate Fund, all moneys received by Trustee shall be applied as follows:

First — To the payment to the Owners entitled thereto of all installments of the Interest Portion then due with respect to the Certificates, in the order of the dates of maturity of the installments of the Interest Portion, beginning with the earliest date of maturity and, if the amount available is not sufficient to pay in full any particular installment, then to the payment thereof ratably, according to the amounts due on that installment, to the Owners entitled thereto, without any discrimination or privilege, except as to any difference in the respective rates of interest specified in the Certificates; and

Second — To the payment to the Owners entitled thereto of the unpaid Principal Portions of any of the Certificates which shall have become due (other than Certificates previously called for redemption for the payment of which moneys are held pursuant to the provisions of this Trust Agreement), whether at stated maturity or by redemption, in the order of their due dates, beginning with the earliest due date, and if the amount available is not sufficient to pay in full all Certificates due, then to the payment thereof ratably, according to the aggregate amounts of Principal Portions due, to the Owners entitled thereto, without any discrimination or privilege.

Section 13.7. Rights and Remedies of Owners. An Owner may not institute any proceeding to enforce this Trust Agreement, for the execution of any trust hereof, or exercise of any remedy, unless:

(a) An Event of Default exists,

(b) the Owners of at least 25 percent in aggregate principal amount of Certificates then Outstanding shall have made written request to Trustee and shall have afforded Trustee reasonable opportunity to exercise the powers granted herein in its own name, and shall have offered Trustee indemnity,

(c) the Trustee thereafter shall have failed or refused to exercise the powers granted herein.

No one or more Owners may disturb the security or benefit of the Trust Agreement, or enforce, except in the manner provided herein, any remedy, right or power hereunder.

MISCELLANEOUS

Section 14.1. Defeasance. Certificates may be paid in the following ways:

(a) by paying the Principal Portion and Interest Portion and redemption premiums (if any) on all Certificates when the same become due and payable;

(b) by depositing with Trustee, in trust, at or before maturity, money which, together with the amounts then on deposit in the Lease Payment and Reserve Funds is sufficient to pay all Certificates Outstanding;

(c) by depositing with the Depository Trustee, in trust, Defeasance Obligations in such amount as shall be certified by a national firm of certified public accountants, as fully sufficient, together with the interest thereon and moneys then on deposit in the Lease Payment and Reserve Funds together with the interest to accrue thereon, to pay and discharge all Certificates at their respective maturity dates or prior redemption dates; or

(d) by depositing with the Depository Trustee, under deposit any trust agreement, Defeasance Obligations sufficient to pay Lease Payments, said security to be held by the Depository Trustee and applied by the Depository Trustee to pay the Lease Payments as the same become due and payable and make full Prepayment on any Prepayment date,

In such event, all obligations of Trustee with respect to all Outstanding Certificates shall cease and terminate, except the Trustee's duty to pay from Lease Payments from funds so deposited to the Owners of Certificates all sums due with respect thereto, and the Certificates shall continue to represent direct and proportionate interests of the Owners in the Trusts so created.

If any Certificate is to be redeemed, the Lessee shall irrevocably instruct Trustee as to such redemption date or dates.

Section 14.4. Governing Law. The Trust Agreement shall be construed under the laws of the State of Arizona.

APPENDIX E

FORM OF APPROVING LEGAL OPINION OF SPECIAL COUNSEL

APPENDIX E

Proposed Form of Approving Opinion of Special Counsel

[Letterhead of Chapman and Cutler]
[To Be Dated Closing Date]

Maricopa County Public Finance Corporation

BNY Western Trust Company, as Trustee

We have examined the proceedings relating to the delivery by BNY Western Trust Company (the *"Trustee"*) of $6,975,000 aggregate principal amount of Certificates of Participation (Desert Vista Project), Series 2000 dated as of November 1, 2000 (the *"Certificates"*), pursuant to a Trust Agreement, dated as of November 1, 2000 (the *"Trust Agreement"*), between the Trustee and Maricopa County Public Finance Corporation (the *"Lessor"*). Each of the Certificates represents a participating interest in obligations of Maricopa County, Arizona (the *"Lessee"*), under a Lease-Purchase Agreement, dated as of November 1, 2000 (the *"Lease"*), between the Lessor and Lessee under which the Lessor has agreed to acquire certain real property and improvements and construct or otherwise acquire additional improvements thereon (the *"Leased Property"*) and the Lessee has agreed to lease the Leased Property from the Lessor for the period from the date hereof to June 30, 2001, with options to renew the Lease on an annualized basis through July 1, 2015. The rights of the Lessor to receive payments under the Lease and to enforce the terms of the Lease have been assigned to the Trustee pursuant to the Trust Agreement. We have also examined a form of the Certificates.

We have examined the law and such documents and matters as we have deemed necessary to render this opinion.

As to questions of fact material to the opinions expressed herein, we have relied upon, and have assumed due compliance with the provisions of, the proceedings and other documents, and have relied upon certifications and representations furnished to us without undertaking to verify the same by independent investigation, including, without limitation, the use to be made of the proceeds of the Lease and property financed thereby.

Based upon the foregoing, we are of the opinion that:

1. The Lease has been duly authorized, executed and delivered by the Lessee and, assuming due authorization and execution by the other respective parties thereto, is valid and binding upon and enforceable against the Lessee in accordance with its terms, except as the enforcement thereof may be limited by applicable bankruptcy, insolvency, reorganization, moratorium and similar laws affecting the enforcement of creditors' rights generally and except that the availability of equitable remedies may be subject to the exercise of judicial discretion in accordance with general principles of equity.

2. The term of the Lease is originally to June 30, 2001, and thereafter for such additional lease years (July 1 through June 30) as are necessary to complete the anticipated term thereof through and including June 30, 2015. The Lessee is required under the Lease to make the Lease Payments (as such term is defined in the Lease) from any source of available funds sufficient to pay, when due, the annual principal and interest due with respect to the Certificates. The Lessee shall be deemed to have automatically extended the term of the Lease for additional one year periods when an appropriation is made for an amount equal to the Lease Payments for such year in the Lessee's final approved budget for such year.

3. The Certificates have been duly authorized, issued and delivered by the Trustee and are valid and binding limited and special obligations payable solely from the Lease Payments and certain funds held under the Trust Agreement as provided therein. The Certificates are not secured by an obligation or pledge of any taxing powers or moneys raised thereby and are not a debt and do not constitute a pledge of the faith and credit of the State of Arizona or any political subdivision thereof including the Lessee.

4. Subject to the Lessor's and the Lessee's compliance with certain covenants made to satisfy pertinent requirements of the Internal Revenue Code of 1986, as amended (the *"Code"*), under present law, the portion of the Lease Payments made from funds made available by the Lessee designated as interest and represented by the Certificates (the *"Interest Portion"*) is not includible in gross income of the owners thereof for federal income tax purposes and is not included as an item of tax preference in computing the alternative minimum tax for individuals and corporations under the Code, but is taken into account in computing an adjustment used in determining the federal alternative minimum tax for certain corporations and in computing the "branch profits tax" imposed on certain foreign corporations. Failure to comply with certain of such Lessor and Lessee covenants could cause the Interest Portion to be included in gross income for federal income tax purposes retroactively to the date of issuance of the Certificates. Ownership of the Certificates may result in other federal tax consequences to certain taxpayers, and we express no opinion regarding any such collateral consequences arising with respect to the Certificates.

5. The Interest Portion is exempt from present State of Arizona income taxation as long as the Interest Portion is excluded from gross income for federal income tax purposes.

As Special Counsel, we are passing only upon those matters set forth in this opinion and are not passing upon the accuracy, adequacy or completeness of any information furnished to any person in connection with any offer or sale of the Certificates.

In rendering this opinion, we have relied upon certifications of the Lessor and the Lessee with respect to certain material facts solely within the Lessor's and Lessee's knowledge relating to the application of the proceeds of the Certificates. Our opinion represents our legal judgment based upon our review of the law and the facts that we deem relevant to render such opinion is not a guarantee of a result. This opinion is given as of the date hereof and we assume no obligation to review or supplement this opinion to reflect any facts or circumstances that may hereafter come to our attention or any changes in law that may hereafter occur.

We express no opinion for federal or Arizona income tax purposes as to any other moneys received in payment of the Interest Portion from other than funds made available by the Lessee as a result of termination of the Lessee's obligations under the Lease Agreement for any reason, including nonappropriation by the Lessee or exercise of remedies upon an event of default thereunder. In addition, we express no opinion as to the status of title to the Leased Property as to which we understand you are relying on a title insurance policy from First American Title Insurance Company.

Respectfully submitted,

APPENDIX F

FORM OF CONTINUING DISCLOSURE UNDERTAKING

APPENDIX F

$6,975,000
MARICOPA COUNTY, ARIZONA
CERTIFICATES OF PARTICIPATION, SERIES 2000

CONTINUING DISCLOSURE UNDERTAKING
FOR THE PURPOSE OF PROVIDING
CONTINUING DISCLOSURE INFORMATION
UNDER SECTION (b)(5) OF RULE 15c2-12

This Continuing Disclosure Undertaking (the "Undertaking") is executed and delivered by Maricopa County, Arizona (the "County") in connection with the issuance and sale of the $6,975,000 aggregate principal amount of Certificates of Participation (Desert Vista Project), Series 2000 (the "Certificates"), evidencing and representing proportionate interests of the owners thereof in lease payments to be made by the County under a Lease-Purchase Agreement, dated as of November 1, 2000 (the "Lease-Purchase Agreement") between BNY Western Trust Company, as lessor, and the County, as lessee, which Certificates are being issued pursuant to a Trust Agreement, dated as of November 1, 2000 (the "Trust Agreement") between BNY Western Trust Company, as trustee, and the County.

In connection with the Certificates, the County covenants and agrees as follows:

1. **Purpose of this Undertaking.** This Undertaking is executed and delivered by the County as of the date set forth below, for the benefit of the beneficial owners of the Certificates and in order to assist the Underwriter in complying with the requirements of the Rule (as defined below).

2. **Definitions.** The terms set forth below shall have the following meanings in this Undertaking, unless the context clearly otherwise requires.

"Annual Information" means the financial information and operating data set forth in Exhibit I.

"Annual Information Disclosure" means the dissemination of disclosure concerning Annual Information and the dissemination of the Audited Financial Statements as set forth in Section 4.

"Audited Financial Statements" means the audited financial statements of the County prepared pursuant to the standards and as described in Exhibit I.

"Certificates" means the $6,975,000 Certificates of Participation (Desert Vista Project) Series 2000, issued pursuant to the Trust Agreement.

"Commission" means the Securities and Exchange Commission.

"Dissemination Agent" means any agent designated as such in writing by the County and which has filed with the County a written acceptance of such designation, and such agent's successors and assigns.

"Exchange Act" means the Securities Exchange Act of 1934, as amended.

"Material Event" means the occurrence of any of the Events with respect to the Certificates set forth in Exhibit II that is material, as materiality is interpreted under the Exchange Act.

"MSRB" means the Municipal Securities Rulemaking Board.

"NRMSIRs" means, as of any date, any Nationally Recognized Municipal Securities Information Repository then recognized by the Commission for purposes of the Rule. As of the date of this Undertaking, the NRMSIRs are:

Bloomberg Municipal Repositories
100 Business Park Drive
Skillman, NJ 08558
Phone: (609) 279-3225
Fax: (609) 279-5962
E-Mail: munis@bloomberg.com

DPC Data Inc.
One Executive Drive
Fort Lee, NJ 07024
Phone: (201) 346-0701
Fax: (201) 947-0107
E-Mail: nrmsir@dpcdata.com

Standard & Poor's J.J. Kenny Depository
55 Water Street - 45th Floor
New York, NY 10041
Phone: (212) 438-4595
Fax: (212) 438-3975

Interactive Data
Attn: Repository
100 Williams Street
New York, NY 10038
Phone: (212) 771-6899
Fax: (212) 771-7390
E-Mail: nrmsir@interactivedata.com
Website: http://www. nrmsir@interactivedata.com

The names and addresses of all current NRMSIRs should be verified each time information is delivered pursuant to this Undertaking.

"Underwriter" means the broker, dealer or municipal securities dealer acting as an underwriter in the primary offering of the Certificates.

"Rule" means Rule 15c-12 adopted by the Commission under the Exchange Act, as the same may be amended from time to time.

"SID" means any public or private repository designated by the State as the state repository and recognized as such by the Commission for purposes of the Rule. As of the date of this Agreement, no SID exists within the State. The name and address of the SID, if any, should be verified each time information is delivered pursuant to this Agreement.

"State" means the State of Arizona.

"Undertaking" means the obligations of the County pursuant to Sections 4, 5, 6 and 7 hereof.

3. **CUSIP Number/Final Official Statement.** The CUSIP Number of the Certificates is 566746. The Final Official Statement relating to the Certificates is dated November 7, 2000 (the "Final Official Statement").

4. **Annual Information Disclosure.** Subject to Section 9 of this Undertaking, the County shall disseminate its Annual Information and its Audited Financial Statement, if any (in the form and by the dates set forth in Exhibit I), to all NRMSIRs and to the SID, if any. The County is required to deliver such information in such manner and by such time so that such entities receive the information on the date specified.

If any part of the Annual Information can no longer be generated because the operations to which it is related have been materially changed or discontinued, the County will disseminate a statement to such effect as part of its Annual Information for the year in which such event first occurs.

If any amendment is made to this Agreement, the Annual Information for the year in which such amendment is made shall contain a narrative description of the reasons for such amendment and its impact on the type of information being provided.

5. **Material Events Disclosure.** Subject to Section 9 of this Undertaking, the County hereby covenants that it will disseminate in a timely manner notice of occurrence of a Material Event to each NRMSIR, or to the MSRB and to the SID, if any.

6. **Duty to Update NRMSIRs/SID.** The County shall determine, in the manner it deems appropriate, the names and addresses of the then existing NRMSIRs and SID each time it is required to file information with such entities.

7. **Consequences of Failure of the County to Provide Information.** The County shall give notice in a timely manner to each NRMSIR, or to the MSRB and to the SID, if any, of any failure to provide Annual Information Disclosure when the same is due hereunder.

In the event of a failure of the County to comply with any provision of this Undertaking, the beneficial owner of any Certificate may seek mandamus or specific performance by court order, to cause the County to comply with its obligations under this Undertaking. A default under this Undertaking shall not be an Event of Default on the Certificates or under the Trust Agreement or the Lease-Purchase Agreement. The sole remedy under this Undertaking in the event of any failure of the County to comply with this Undertaking shall be an action to compel performance.

8. **Amendments; Waiver.** Notwithstanding any provision of this Agreement, the County by certified resolutions authorizing each amendment or waiver, may amend the Undertaking, and any provision of the Undertaking may be waived, if:

(a) The amendment is made in connection with a change in circumstances that arises from a change in legal requirements, change in law, or change in the identity, nature, or status of the County, or type of business conducted;

(b) This Undertaking, as amended, would have complied with the requirements of the Rule at the time of the primary offering, after taking into account any amendments or interpretations of the rule, as well as any change in circumstances; and

(c) The amendment does not materially impair the interests of the beneficial owners of the Certificates, as determined by an independent counsel or other entity unaffiliated with the County or the County Prosecutor's Office.

9. **Non-Appropriation.** The performance by the County of its obligations in this Undertaking shall be subject to the annual appropriation of any funds that may be necessary to permit such performance. In the event of a failure by the County to comply with its covenants under this Undertaking due to a failure to appropriate the necessary funds, the County covenants to provide prompt notice of such fact to each NRMSIR and the SID.

10. **Termination of Undertaking.** The Undertaking of the County shall be terminated hereunder if the County shall no longer have liability for any obligation or relating to repayment of the Certificates under the Lease-Purchase Agreement. The County shall give notice in a timely manner if this Section is applicable to each NRMSIR, or to the MSRB, and to the SID, if any.

11. **Dissemination Agent.** The County may, from time to time, appoint or engage a Dissemination Agent to assist it in carrying out its obligations under this Undertaking, and may discharge any such Agent, with or without appointing a successor Dissemination Agent.

12. **Additional Information.** Nothing in this Undertaking shall be deemed to prevent the County from disseminating any other information using the means of dissemination set forth in this Undertaking or any other means of communication, or including any other information in any Annual Information Disclosure or notice of occurrence of a Material Event, in addition to that which is required by this Undertaking. If the County chooses to include any information from any document or notice of occurrence of Material Event in addition to that which is specifically required by this Undertaking, the County shall have no obligation under this Undertaking to update such information or include it in any future disclosure or notice of occurrence of a Material Event.

13. **Beneficiaries.** This Undertaking has been executed in order to assist the Underwriter in complying with the Rule; however, this Undertaking shall inure solely to the benefit of the County, the Dissemination Agent, if any, and the beneficial owners of the Certificates, and shall create no rights in any other person or entity.

14. **Recordkeeping.** The County shall maintain records of all Annual Information Disclosure and notices of occurrence of Material Events including the content of such disclosure or notices, the names of the entities with whom such disclosure or notices were filed and the date of filing such disclosure or notices.

15. **Assignment.** The County shall not transfer its obligations under the Lease-Purchase Agreement unless the transferee agrees to assume all obligation of the County under this Undertaking or to execute an Undertaking under the Rule.

Simultaneously with any dissemination under Sections 4, 5, 9 or 11 hereunder, the County shall send written notice to the Trustee describing (or containing a copy of) the information so filed under such sections.

16. **Governing Law**. This Undertaking shall be governed by the laws of the State.

MARICOPA COUNTY

By: ______________________________

Andrew Kunasek
Chairman, Board of Supervisors

Date: November __, 2000

EXHIBIT I

ANNUAL FINANCIAL INFORMATION AND AUDITED FINANCIAL STATEMENTS

"Annual Financial Information" means the information and operating data of the type contained under the headings "THE COUNTY'S GENERAL FUND" and "APPENDIX B – Maricopa County, Arizona Financial Data."

All or a portion of the Annual Financial Information and the Audited Financial Statements as set forth below may be included by reference to other documents which have been submitted to each NRMSIR and to the SID, if any, or filed with the Commission. If the information included by reference is contained in a Final Official Statement, the Final Official Statement must be available from the MSRB; the Final Official Statement need not be available from each NRMSIR, the SID or the Commission. The County shall clearly identify each such item of information included by reference.

Annual Financial Information exclusive of Audited Financial Statements will be provided to each NRMSIR and to the SID, if any, no later than February 1 in each year commencing February 1, 2001. Audited Financial Statements as described below should be filed at the same time as the Annual Financial Information. If Audited Financial Statements are not available when the Annual Financial Information is filed, unaudited financial statements shall be included, to be followed up by Audited Financial Statements when available.

Audited Financial Statements will be prepared according to GAAP, as applied to governmental units as modified by State law. Audited Financial Statements will be provided to each NRMSIR and to the SID, if any, within 30 days after availability to the County.

If any change is made to the Annual Financial Information as permitted by Section 4 of the Agreement, the County will disseminate a notice of such change as required by Section 4, including changes in Fiscal Year or GAAP.

EXHIBIT II

EVENTS FOR WHICH NOTICE OF OCCURRENCE OF MATERIAL EVENTS IS REQUIRED

1. Principal and interest payment delinquencies
2. Non-payment related defaults
3. Unscheduled draws on debt service reserves reflecting financial difficulties
4. Unscheduled draws on credit enhancements reflecting financial difficulties
5. Substitution of credit or liquidity providers, or their failure to perform
6. Adverse tax opinions or events affecting the tax-exempt status of the security
7. Modifications to the rights of security holders
8. Bond calls
9. Defeasances
10. Release, substitution or sale of property securing repayment of the securities
11. Rating changes

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